# THE FINANCIAL POST

*The Canadian Newspaper for Business Men and Investors*

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## RELIEF TO STEEL INDUSTRIES SEEN IN TARIFF RULING

### Certain Textile Producers *Also* Should Benefit From Latest Change

### MUST BE ENFORCED

### Ruling Not Revolutionary But Indicates Healthier Attitude of Government — British May Increase Protection

The most recent amendment to the Customs Act goes a step farther in the direction of providing a long delayed and badly needed relief to the Canadian manufacturer. Its tangible effect will not be at all revolutionary, but it is interpreted by business as an indication of a more friendly government attitude. The amendment helps to preclude the dumping in the Canadian market of goods produced in countries whose depreciated currency has given them an unfair advantage over the Canadian manufacturer. These countries have not been slow in taking advantage of the situation. Under the new conditions imports from these countries will be valued, for customs duty assessment, at the *price of* similar goods produced and *sold* for home consumption in the United Kingdom, rather than in the country of origin, as formerly. The enactment applies to countries whose currencies are depreciated more than 50 per cent. Assuming the enforcement of the present ruling, it will mean much to Canadian business.

When the Currencies Act was amended in 1922 and the present depreciated currency provision inserted, the Customs Department issued a memorandum stating that the section would apply to products of Germany, Austria, Hungary, Jugoslavia and Russia. The spirit of the measure seems designed to cover all countries with depreciated currencies, but the ruling was not made to apply to France, Belguim and Italy and some other countries until the present ruling was made. In the interval, these countries were building up a large business in textiles, steel products and glass, in the Canadian market. Furthermore, it is alleged that goods from other countries of Central Europe were being shipped to England and coming into Canada as British goods, thus enjoying the advantage of the British preference. It has been charged that Canada was becoming a dumping ground for cheap goods from European countries with lower living standards or depreciated currencies. Lacking substantial verification of this, it is, however, evident that such countries as France were building up a substantial market here in products that Canada produces. Her exports to us last fiscal year amounted to $18,436,361 against $15,767,851 the year before and $12,264,291 in 1923. Belgium and Italy and Czechoslovakia were also increasing their sales of certain products to us although not on so substantial a scale.

**Steel and Glass Imports Expand**

Certain classes of steel products are affected under the new regulation, notably steel sheets, nail-making steel and small rods. These goods are produced in France and Belgium at a price which makes it difficult for the Canadian manufacturer to compete. Last fiscal year a stated total of more than a quarter million dollars' worth of iron bars and rods were imported from Belgium and it is alleged that other products came in in fairly large quantities by way of other countries. France sent us pig iron worth $133,000 and cast iron pipe worth $166,000 during the same period. Unfortunately a specific rather than an ad valorum duty exists in the case of certain hardware products, and the enforcement of the ruling would depend upon the changing of these to ad valorum duties.

Glass and its products will also be affected materially if the enact-

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## Are Some Brokers Working for Reaction in the Mining Market?

Are some brokers working for a reaction in the mining market?

Persons holding substantial marginal accounts have called The Financial Post in the last couple of days and stated that their broker had advised them that there was a heavy break coming in the mining market, and that they should sell. Many of them have doubtless helped bring about the present market reaction in mine shares.

One client said that he had been advised by his broker that a certain gold-copper prospect in Quebec struck granite in diamond drilling and that he had better get out. It would break the market for the stock. This also caused some selling.

The leading mining brokers when asked their views on the possible break in the market, voiced the opinion that the present lull would be short-lived, and that it would soon resume the upward swing. One broker though that was why some were advising clients to sell marginal held stocks, wanting clients out only to get them in higher at a later date.

## *If the Punishment Fits the Crime Smuggling Can be Suppressed*

OTTAWA.—It is being said in connection with the sensational revelations of the wide ramification of commercialized smuggling of merchandise into Canada, that what is being revealed is the result of the wide use of the motor car in transportation and the difficulty of restricting the interchange of goods over a boundary line which for thousands of miles offers no natural aid to the enforcement of international laws.

The truth of this is recognized. The difficulty of keeping track of international traffic since the advent of the automobile has become very great.

But the argument for the enforcement of the customs law in the curbing of smuggling activities is not for the policing of the international boundary but for the punishment of those who defy the law.

Laws against smuggling cannot be enforced any more effectively in checking the actual operations of smugglers than could laws of theft be employed to directly prevent the activities of thieves. So long as citizens desire a certain amount of freedom in the ownership of goods and property and in the uses thereof there will be theft. The authorities do not pretend to employ a police force which will guard all property. But the law is so enforced that the punishment of those who committ offences acts as a deterrent to others.

Likewise it is submitted the government cannot be expected to provide sufficient customs officials to guard the whole international boundary but it can and should so treat offenders that their punishment will provide an effective deterrent to smuggling operations.

In the words of the old song, it is a case of making the punishment fit the crime.

## Ontario Pulpwood to be Exported as Paper Now

### Stipulation Applies to Recent Important Contracts—Quebec to Prevent the Exportation of Hydro Power — Canada for Canadians

In connection with the recent extensive sales of pulpwood by the Ontario Government from an area running into many thousands of square miles and involving many millions of cords of wood, it is definitely stipulated in the agreements that ALL RAW MATERIALS SHALL BE COMPLETELY MANUFACTURED INTO PAPER IN ONTARIO.

The exportation of hydro-electric power produced within the province of Quebec will be prohibited as the effect of the passing of a bill sponsored by Premier Taschereau in the provincial legislature this week.

These definite steps are in keeping with the policies which have been laid down by Mr. Ferguson, on behalf of Ontario, and Mr. Taschereau, on behalf of Quebec, for the conservation of Canada's natural resources for the benefit of Canadians. It is expected that Quebec will follow the example of Ontario in restricting so far as possible the use of pulpwood from crown lands for the manufacture of paper only for export, and that Ontario will take note of the Quebec example in regard to the exportation of power.

The definite steps of both Ontario and Quebec for the conservation of Canadian resources for the benefit of Canadians is in accordance with the policy which The Financial Post has been urging for years. Other provinces would do well to follow the example. They cannot expect to hold their populations if they allow the export of the raw materials, the manufacturing of which means employment for the people.

The action of the Ontario government in definitely stipulating that pulpwood must be manufactured into paper within the province applies to all the important contracts recently arranged for limits in the Lake Nipigon region, and in the watersheds of Kapuskasing, Ground Hog and Mattagami rivers in the district of Cochrane. It is anticipated that any other contracts arranged by the present government will contain a like condition. What may be the course in the future will be for the governments of the day to decide, but it is felt that the policy which has now been laid down is in accordance with public opinion and that it will prevail in the future.

The contracts which have been made under the new conditions for the Nipigon areas are with the Thunder Bay Company, the Nipigon Corporation, Provincial Paper Mills and Fort William Pulp and Paper. The arrangements cover the right to cut wood at a price per cord from any portion of an area of 6,394 square miles, such portion to be determined

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## Belgo Canadian Paper Increases Output by Addition of 200 Tons

### George McKee Heads Both St. Maurice and Port Alfred—Not Likely That Both Companies Will Merge at Present

**From Our Own Correspondent.**

MONTREAL.—The Belgo Canadian Paper Company, the subsidiary of the St. Maurice Valley Corporation, is adding two new newsprint machines which will increase the present output by 200 tons. Work on the extension of the plant has already begun and the order for the new machines has been placed with Charles Walmsley and Company. It is anticipated that the machines will be in operation before the end of the year.

Another interesting development in connection with the St. Maurice Valley Corporation, is the appointment of George M. McKee as managing director. He is also the president of the Port Alfred Pulp and Paper Corporation. This appointment has led to speculation as to the possible amalgamation of Port Alfred and the St. Maurice Corporation.

There seems no doubt that the merger of these two companies would accomplish only a little in the way of economies, for they are situated on widely separated watersheds—however, it would reduce overhead and selling costs to a certain extent. But shareholders in Port Alfred would hardly wish a merger until such time as their company had completed its extension program. By next December, it is anticipated that this program will have been completed and, at that time, the output of Port Alfred will amount to 450 tons of newsprint daily plus a production, over and above what is utilized in the newsprint mill, of 110 tons a day of sulphite.

**Would Obtain Better Terms**

Naturally, when these production figures are reached, the property would enter the merger on better terms for, by then, its capitalization will approximate $8,000,000 in bonds, $4,000,000 in preferred and $6,000,000 in common stock. This capitalization would be lower than any other pulp and paper organization with a similar output.

This low capitalization is due to the fact that Port Alfred was incorporated to take over the assets of the old Bay Sulphite Company, which fell down on its bond interest—the new company naturally acquired the property at an exceedingly low figure; it acquired at the same time also, timber limits at a low cost. Taken by and large then, it would appear that shareholders in Port Alfred

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## ROBB OBTAINED EXCELLENT TERMS ON NEW FINANCING

### Best Terms Obtained by Splitting Issue Between Two Markets

### YIELD ATTRACTIVE

### Public Demand Keen, and Larger Applications Will Require Scaling Down

The evident reaction of the financial community to the suddenly announced federal financing to extent of $105,000,000 is that government has made a good deal, the public are getting an attractive investment and the present is the best time for the issue to be made. The Minister of Finance has the approval of business with regard both to the distribution of the flotation between the two markets, and the placing of the issue now rather than in September.

Forty millions of the new issue is being placed in New York, at a price which yields 4.65 per cent. There is a general impression that the Minister went into the New York market at about the right time for ten year bonds. It is felt that so favorable terms would not have been obtained later on. Why was the money not all obtained in the Canadian market? It is evident that the Minister and his advisers were close to the money market situation and saw the opportunity of getting the lower terms there for a large portion of the total. Then the greater part of the refunding is on money obtained from the United States.

With regard to the balance, which is being obtained in Canada on a basis of 4.73 per cent. it is felt that the policy of obtaining the funds now rather than waiting until autumn is eminently sound. There have been fewer issues coming forward this year so far than for some years, and at the same time there is more money available than has been the case at this time for years. Assuming another favorable crop and the gradual continuation of the increasing business activity which has been in evidence, it is improbable that the market will be so receptive to such an issue in six months from now. An analysis of the statistics of the chartered banks at the present time shows a huge surplus of funds undoubtedly sufficient to absorb the entire issue without any public participation. Provision is being made, however, to give the small investor a chance to subscribe. It is apparent from the reception of the issue so far, that it will be necessary to scale down the larger applications.

**Attractive Terms to Investor**

While the money has been obtained by the government on better terms than last year, the difference is not so great as in the case of municipal and provincial issues. A drop in yield from 4.75 to 4.73 on comparable issues is smaller than the corresponding drop elsewhere. The yield is an attractive one to the investor in view of the present prices of other high grade securities. It is significant that the new Canadian issue will be the longest date direct Dominion bonds in the Canadian market.

What is to be done with regard to the balance of this year's maturities it not yet stated. Altogether more than $138,000,000 of Canadian bonds fall due during the present calendar year, and it is intimated in the Minister's announcement that the present financing will fulfil the year's requirements. It would appear that the balance, or probably a total of $25,000,000, will be renewed.

## Dunning is For Completion of Hudson Bay Line

OTTAWA.—The appointment of Premier Dunning of Saskatchewan as minister of railways in the King government seems to pretty definitely settle any doubts as to whether the government will go ahead with the Hudson Bay Railway. It is from Saskatchewan, Premier Dunning's province, that the chief pressure for the construction of the road comes.

Premier Dunning's attitude on the project has been that the road itself should be completed at the lowest possible cost and that the project should then be tested and further expenditures on the installation of port facilities, etc., depend on the performance of the railway itself.

Mr. Dunning's inclusion in the cabinet and his appointment as Minister of Railways was definitely forecast in The Financial Post in its issue of January 22nd.

On his record the new minister should prove an acquisition to the national government. While a strong party man and a supporter of free trade principles, he has always shown a disposition to meet the facts as they are and to hold free trade as an ideal rather than a practical policy for Canada. Like Mr. Fielding, he will no doubt modify his attitude towards industry and business when his understanding of the existing problems broadens.

As a self-made Canadian and a practical, constructive Imperialist, Dunning should be a real factor in bringing East and West to a better understanding.

## Will Attorney-General Investigate the Market Fiasco in Columbus?

There is talk in brokerage circles of the attorney-general for Ontario taking some action in regard the recent market fiasco in Columbus Kirkland.

In a few days last week the stock moved up from 8 and 9 cents to around 24 and then broke as rapidly to 6.

Standard Stock and Mining Exchange officials say they can take no action as those who were interested in this market are not members of the exchange.

It is understood that a number of both Toronto exchanges were left holding blocks of high priced stock when the market broke suddenly.

Rumors of manipulation and a fictitious market are general. There are also rumors that the new directorate of Columbus were going to resign over the matter.

One criticism of the Standard Exchange heard is that steps should have been taken to suspend the stock from trading.

## Big Increase in Pulpwood Shipments to United States

FREDERICTON.—The notable feature of the exports of lumber products from this district to the United States last year, was the tremendous increase in shipments of pulpwood, according to a report of the U. S. consul here. The largest item was spruce lumber, valued at $1,016,757. Christmas trees increased in number by about two-thirds. Hardwood was valued at $416,000. Spruce amounted to about thirty-eight million feet.

## *How Prosperous is Canada?*

### Leaders in Financial and Industrial World Support the Conclusion That Benefits of Improved Buying Power Are Not Being Felt — Business Entitled to a Square Deal

In a recent front page editorial, The Financial Post asked: "How Prosperous is Canada?"

It was submitted that the improvement in general business and industry throughout the country has not been in proportion to the increase in the buying power of the people as indicated by retail trade. It was suggested that there were several causes resulting in this condition. Smuggling, the exportation of raw materials, large imports of manufactured goods, and the advantages of foreign manufacturers in regard to labor and other production costs were mentioned.

With the conclusions of The Financial Post that Canada is not as prosperous as the improved buying power would warrant, there has been general agreement in the business community. At the annual meeting of the Standard Bank, Arthur White, the president, declared that the situation was decidedly out of balance, "as industries in the country have not benefited as they should have from the improved buying power." Likewise, the head of one of the largest industries in Canada, in referring to The Financial Post's editorial, says: "I think your arguments are good and sound; the manufacturers generally are not receiving a fair deal from the government." Smuggling and the under-valuation of foreign merchandise—in regard to which action has since been taken—are referred to.

Hearty endorsation of The Post's conclusions is offered by A. O. Dawson, vice-president and managing director of Canadian Cottons. In a letter Mr. Dawson says:

> I have read this editorial with great care, and I heartily endorse every word that it contains. There is not very much use in heaping a further heavy burden of taxation on our people in an effort to bring tens of thousands of people from the Old Land if, at the same time, we are unable to give employment to our own Canadian people, thus forcing them to emigrate to the United States.
>
> If this country is to regain its prosperity, the industries must be put in a position which will enable them to operate a larger percentage of their machinery than has been possible in the last three or four years, and thus permitting the employment of a larger number of people.
>
> It is simply heartbreaking to business men to be called on day after day by men able and willing to work, and for whom no employment is available.

Likewise the arguments presented are concurred in by W. T. Sampson, vice-president and general manager, Ontario Steel Products, who speaks particularly on behalf of the automobile industry in regard to rumored cuts in the tariff:

> I have read the article in your issue of February 12 headed, "How Prosperous is Canada?" and remarked at that time that it was a very sound article indeed.
>
> As to further suggestions in regard to what steps should be taken to make Canada more prosperous, may say there have been many sound ideas brought out recently on the floor of the House of Commons. From my viewpoint one of the most important matters is tariff stability. The automobile business that has been one of the bright spots in Canadian industry for so many years is now being threatened with reduction in tariff, and business right now that would have been very good in this particular line is being seriously interfered with through newspaper forecasts, inspired or otherwise, in connection with forthcoming legislation. What manufacturers want is stability, so that they can at all events know the worst or best and make their plans, good or bad accordingly. They might shut up or expand, but would not waste any time.
>
> Mr. Fielding in his last budget said all this, and said it well, and only for his unfortunate illness I believe legitimate manufacturing businesses would have enjoyed a great deal of prosperity.

## *Ontario Supreme Court Would Hold the Federal Insurance Act Ultra Vires*

### That is Held to be Effect of Decision Recently Rendered

### IMPORTANT POINT

### If Sustained by Privy Council Would Have Important Bearing on Relations of Federal and Provincial Depts.

What is regarded as a judgment of sweeping importance as between federal and provincial jurisdiction in the control of insurance companies, and having the effect of declaring the "key sections" of the federal act of 1917 as ultra vires has been handed down by the appellate division of the supreme court of Ontario. The important point held in this decision is that it does not come within the competence of the Parliament of Canada to enact such provisions as are contained in sections 11, 12 (1), 71 and 134 of the Ontario Insurance Act; sections 71 and 71a as enacted by chapter 50 of the Statutes of Canada, and section 134a as enacted by chapter 55 of the Statutes of Canada. The sections referred to have to do with the granting of licenses to insurance companies. In his carefully prepared judgment Judge Masten has the concurrence of Justices Middleton and Riddell, while Justices Latchford and Smith take a contrary view on this point. In view of his decision which would seem to have the effect of rendering the Dominion insurance act ineffective an appeal will undoubtedly be made and a final ruling secured from the privy council.

This case, in which judgment has now been given, was first started with the idea of establishing whether the Province of Ontario could impose statutory conditions in the case of accidents, sickness and automobile companies. As this was found to involve the question of licenses issued by the federal department of insurance, the case was enlarged to cover this point and the judgment therefore deals with all licenses issued to insurance companies. The judgment is summarized as follows:

Held, that it is within the legislative competence of the legislature of Ontario to enact such provisions as are contained in sections 168 and 180 of the Ontario Insurance Act, 1924.

Held, that it is not within the legislative competence of the parliament of Canada to enact such provisions as are contained in sections 11, 12 (1), 71, 71A,

(Continued on page 20)

## Is Protection Planned for British Textiles?

LONDON.—Owing to the increasing keenness of foreign competition in certain of the textile lines, the board of trade recently appointed a committee of enquiry to investigate the application of a British manufacturer for the placing of a tariff duty of 33 1/3 per cent. on hosiery and knit goods of cotton and wool imported into the United Kingdom. While a decision has not yet been handed down, there is a well established opinion that a degree of protection will be introduced. A speeding up of buying in raw materials and supplies in woollen and worsted cloths is interpreted in certain quarters as an indication that a high duty on these products is contemplated by the government resulting from the findings made in connection with the Safeguarding of Industries Act.

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# The Trend of Business and Industry

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

## LESS GRAIN GOES VIA VANCOUVER THAN COUNTED ON

### Western Port is Equipped to Handle Much Larger Volume

From Our Own Correspondent.

VANCOUVER. — Although grain shipping interests in British Columbia had expected that this would be the banner year for the movement of prairie wheat westward by the Pacific coast route, they have been disappointed, and while the season still has several months to run it is not anticipated that the record will reach anything like the figure that had been counted upon.

Vancouver was never so well equipped as now to handle a large flow of grain, having five elevators with a capacity for accomodating 205,000 bushels an hour, or 4,100,000 bushels daily in the aggregate. Unless present signs are deceptive, however, only about 50,000,000 bushels of wheat will come through this port during the season. "The prospects are particularly black when one considers that Vancouver could really handle the entire western prairie crop this year if necessary," said a prominent shipping man. "As matters stand at present, however, we will get only a small share of the crop.

"If there was a demand for it, Vancouver could load twenty average cargoes of 6,000 short tons, or 200,000 bushels every hour. More than one Vancouver elevator can look after four ships at a time and has a loading capacity of 60,000 bushels an hour. The port could handle thirteen ships with an aggregate of 205,000 bushels an hour. The holding capacity of the five elevators is 6,700,000 bushels."

In spite of all this equipment, which has necessarily been standing idle almost all year, only about 26,000,000 bushels have so far gone through the Vancouver spouts. Victoria and Prince Rupert are both building elevators in the hope of getting their share of the trade in future, but unless this materializes to a larger extent than at present the prospects are not particularly bright.

**Greater Shipments Later**

However, those in the trade declare that the conditions at present governing the situation are temporary and that there is sure to be an adjustment within a few months that will result in a larger proportion of the grain going away by way of the coast. Negotiations are still in progress for reduction in freight rates, but the coast's handicap is not entirely wrapped up in that issue.

Much of the coast's disadvantage lies in the variation in cash grain premium as between Vancouver and Winnipeg. This year purchasers of cash grain have had to pay as high as 11 cents per bushel over the concurrent Winnipeg quotations for the same grade, while at no time since January 4, when trading for the year began, has the difference been less than 3½ cents for either of the principal grades, while the average has been about 5½ cents.

Vancouver shippers are emphatic in declaring that the reduction in grain volume has resulted from inadequate elevator accommodation and speed in handling. On the contrary, they point out that the dispatch has been so prompt here that a bonus of one shilling to one shilling six pence per ton is being paid on cargoes routed by way of Vancouver as compared with Fraser River, Puget Sound or Columbia river ports.

## Canadian Business Indicators

### INDUSTRIAL

**Car Loadings—**

| | 1926 | 1925 |
|---|---|---|
| Week Feb. 13 | 56,295 | 53,820+ 4.6% |
| Year to date | 330,097 | 311,154+ 6.0% |

**Grain Receipts—**

| | | |
|---|---|---|
| Aug. 1 to Feb. 12 | 312,904,448 | 189,756,232+65.1% |

**Building—**

| | | |
|---|---|---|
| January | 4,602,743 | 5,614,809—18.0% |

**Railway Earnings—**

| | | |
|---|---|---|
| 12 Months— | | |
| C. P. R. | $183,356,005 | $182,502,156+0.4% |
| Oper. Exp. | 143,201,229 | 145,274,914—1.4% |
| Net | 40,154,775 | 37,227,241+7.8% |
| 11 Months— | | |
| C. N. R. | 221,119,532 | 216,271,446+ 2.2% |
| Oper. Exp. | 104,203,327 | 201,787,478— 3.7% |
| Net | 26,916,205 | 14,483,968+85.8% |

**Pig Iron Output—(tons)**

| | | |
|---|---|---|
| 12 months | 570,397 | 593,024—3.8% |

### FINANCIAL

**Bank Clearings—**

| | 1926 | 1925 |
|---|---|---|
| January | $1,349,306,742 | $1,407,800,094—4.1% |

**Savings Deposits—Chart. Banks—**

| | | |
|---|---|---|
| December | $1,318,875,483 | $1,237,611,267+ 6.5% |

**Current Loans—By Banks—**

| | | |
|---|---|---|
| December | 903,259,725 | 938,711,730— 3.7% |

### COMMERCIAL

**Balance of Trade—**

| | 1925 | 1924 |
|---|---|---|
| 12 months, Dec. 31— | | |
| Exports | $1,283,098,795 | $1,070,611,616+19.8% |
| Imports | 890,267,348 | 808,144,573+10.1% |
| Balance | 392,831,447 | 262,467,043+49.6% |

**Wheat, No. 1 Nor., Winnipeg—**

| 1926 | 1925 |
|---|---|
| Feb. 22, $1.54 | Feb. (Av.) $1.96 |

**Cattle—(Good, Toronto)**

| | |
|---|---|
| Feb. 22, $8.25. | Feb. (Av.) $6.97 |

**Hogs—(Select, Toronto)**

| | |
|---|---|
| $12.75 | Feb. (Av.) $11.80 |

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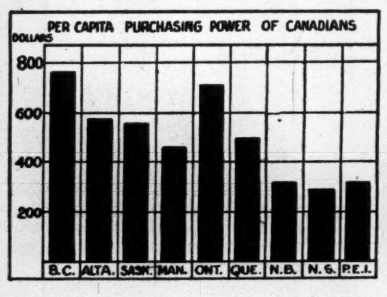
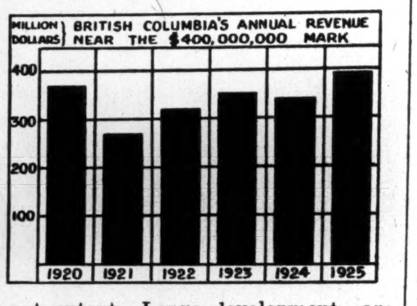
## British Columbia First in Revenue From All Industries





First place among the provinces in per capita production by all industries, and third place in actual production, is the record claimed by the province of British Columbia. This high percentage of purchasing power is having a most favorable effect upon business, in which respect the coast province ranks close to the front among the provinces. Aggressive expansion in many directions marks the business and industrial situation in the province at the beginning of 1926.

The population of British Columbia has shown a remarkable growth since the regular census was taken in 1921. According to figures compiled by the provincial government, there are approximately 600,000 people in British Columbia, while the 1921 census gave a total of 524,000. With the expansion in population, business and industry have extended relatively. At the present time the net revenue from production in British Columbia is stated by the Minister of Finance of that province to be about $391,810,534, which is an annual per capita revenue of $746. Approximately $850,000,000 is invested in productive enterprises in the province. There are 3,345 industrial plants employing 75,000 workers with an annual payroll of $106,800,000. Altogether, the industrial situation seems to be in a healthier position than that of any of the other provinces.

British Columbia's agriculture yields something like $114 per capita at the present time. This record is exceeded only by Prince Edward Island. The province stands second in the production of commercial apples, and the past year was a favorable one, in many respects, for the fruit growers. This province is not actually classed as a livestock producing area, but it produces more than 18 per cent. of the livestock of the Dominion, despite the fact that only 5 per cent. of its area is suitable for agriculture. The farm revenue of the province has doubled in ten years and now exceeds $60,000,000.

**Fishing and Lumber Industries Prosper**

The total pack of salmon in British Columbia waters for the 1925 season was 1,719,282 cases compared with 1,745,313 in 1924, the latter being the largest year on record. That the catch was 26,000 cases short of the previous year's record does not mean that the year was not a good one. Against the reduction in the pack is the fact that there was a clearance of practically all stocks, and with a minimum of carry-over the year is considered to have been a satisfactory one.

Water-borne shipments of lumber from British Columbia scored another record in 1925, when 577,560,288 board feet was exported as against the record made in 1924 of 531,262,318. Atlantic seaboard business heads the list with more than 326,000,000 feet, a gain of 13,000,000 over the previous year. Japan again takes second place with 67,671,449 feet, which was somewhat smaller than the 1924 figure. Trade with the United Kingdom and Europe shows a gratifying expansion, as do also exports to Australia, which were 40,228,887 feet against 34,848,783 the year before. Big development in the lumber industry is looked for in the near future. The total value of the output of the forests is more than half the total for the entire Dominion. For the last twelve months for which complete figures are available the value of forest products was in excess of $71,000,000, or $134 for every resident of the province. There are well over 200 mills in operation giving employment to nearly 12,000 workers whose annual payroll is about $14,000,000.

**General Business is Good**

Generally speaking, retail and wholesale business in the coast area is better than any section of Canada with the possible exception of parts of the central provinces and Saskatchewan. Building program has been carried on on a high scale and there are signs that a shortage still exists in certain types of building. January's permits in Vancouver were close to $1,000,000 against $429,452 for December and $335,610 for January last year. This has helped the employment situation and has increased demand for building products to an important extent. Large developments are planned in connection with the settlement of a large tract of land along the Pacific Great Eastern Railway and in the Peace River area generally.

## Shingle Industry on Coast is Threatened

From Our Own Correspondent.

VANCOUVER.—History is now being written in the shingle industry of the Pacific Northwest and just what trend this history will likely take during the next few years is what has caused British Columbia lumber interests considerable agitation.

The cause of it all is that British Columbia shingle men, by virtue of a cheaper and more easily accessible source of raw materials, cheaper labor and longer hours of work, have been able to control prices for shingles on the coast. The production in Washington and Oregon has been much greater than British Columbia's, but British Columbia set the price pace and this competition has been so devastating that Hartley in his request for congressional relief declares that the industry in the states is doomed. "The only thing that will save the shingle industry in the northwest states is a high tariff on Canadian shingles," is the gist of Hartley's contention, and Hartley himself is a lumberman.

And if the tariff is raised to such an extent as to shut British Columbia shingles out of the United States field, 90 per cent. of the market will be eliminated and the mills will be forced out of business. Such a result would mean the loss of many millions of dollars.

There is one factor which may be relied on to a certain extent as a check to the American campaign for a shingle tariff, and that is the large investment of United States interests themselves in the shingle industry of British Columbia.

## A Fifty Per Cent. Drop In Business Failures

Business assignments have been virtually cut in two in the past two years. Total failures in 1925 were 1,995, against 2,319 in 1924 and 3,408 in 1923, in Canada. These are the figures of the Dominion Bureau of Statistics.

Taking the country by areas, five of the provinces showed a smaller total of failures last year, three showed slight increases, and one remained the same. Quebec, Ontario, Manitoba, Saskatchewan and Alberta, showed reductions, while British Columbia failures rose from 57 to 74. In the Maritimes there were no gains. Two of the Maritime provinces reported losses.

No one industry or trade suffered abnormally during the year. Trading establishments made the largest increase, the total being 1,317 against 1,026 for the year before. Manufacturing failures dropped from 403 to 329. Mining and farming assignments increased as well.

Total liabilities in connection with the failures for the year were $32,153,679 against $48,105,397 the year before.

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*Lewis Duncan, Author of "The Law and Practice of Bankruptcy in Canada."*
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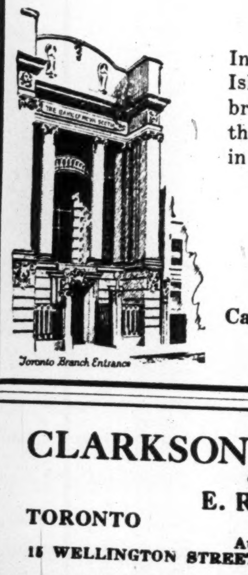
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A General Banking and Foreign Exchange Business Transacted.

# THE STANDARD BANK OF CANADA

## 51st Annual Statement

### 30th January, 1926

### PROFIT AND LOSS ACCOUNT

| | |
|---|---|
| Balance brought forward Feb. 1st, 1925 | $151,110.50 |
| Profits for the year ended Jan. 30th, 1926, after deducting expenses, interest accrued on deposits, rebate for interest on unmatured bills, provincial taxes and making provision for bad and doubtful debts | 773,823.56 |
| | $924,934.06 |
| Dividend No. 138, Paid May 1st, 1925 | $144,702.00 |
| Dividend No. 139, Paid Aug. 1st, 1925 | 144,702.00 |
| Dividend No. 140, Paid Nov. 1st, 1925 | 144,702.00 |
| Dividend No. 141, Payable Feb. 1st, 1926 | 144,702.00 |
| War Tax on Note Circulation | 48,234.00 |
| Reserved for Dominion Income Tax | 55,000.00 |
| Contributed to Officers' Pension Fund | 35,000.00 |
| Balance Carried Forward | 207,892.06 |
| | $924,934.06 |

### GENERAL STATEMENT

### LIABILITIES

| | | |
|---|---|---|
| Notes of the Bank in circulation | | $6,082,760.00 |
| Deposits bearing interest (including interest to date) | $54,210,113.91 | |
| Deposits not bearing interest | 14,221,930.28 | |
| | | 68,432,044.19 |
| Deposits made by other Banks in Canada | | 1,017,625.58 |
| Balances due to other Banks in Canada | | 159,976.52 |
| Balances due to Banks and Banking Correspondents elsewhere than in Canada | | 2,171,760.56 |
| Letters of Credit outstanding | | 357,056.69 |
| Liabilities not included in the foregoing | | 261,183.51 |
| Dividends Declared and Unpaid | | 145,356.25 |
| Capital Stock paid in | | 4.823,400.00 |
| Reserve Fund | | 2,900,000.00 |
| Balance of Profit and Loss Account carried forward | | 207,892.06 |
| | | $86,559,055.36 |

### ASSETS

| | | |
|---|---|---|
| Current coin held by the Bank | $ 599,125.75 | |
| Dominion Notes held | 8,720,542.00 | |
| Deposit in the Central Gold Reserves | 1,300,000.00 | |
| | | $10,619,667.75 |
| Deposits with the Minister for the purposes of the Circulation Fund | | 258,000.00 |
| Notes of other Banks | | 461,939.00 |
| United States and other foreign currencies | | 34,341.93 |
| Cheques on other Banks | | 3,573,987.08 |
| Balances due by Banks and Banking Correspondents elsewhere than in Canada | | 852,990.47 |
| | | $15,800,926.23 |
| Dominion and Provincial Government Securities not exceeding market value | $12,232,586.13 | |
| Canadian Municipal Securities and British, foreign and colonial public securities other than Canadian, not exceeding market value | 3,650,697.43 | |
| Railway and other bonds, debentures and stocks not exceeding market value | 1,880,819.40 | |
| Call and Short (not exceeding thirty days) Loans in Canada on bonds, debentures and stocks or other securities of a sufficient marketable value to cover | 7,883,825.33 | |
| | | $25,647,928.29 |
| | | $41,448,854.52 |
| Loans to Cities, Towns, Municipalities and School Districts | | 1,498,274.57 |
| Other Current Loans and discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts | | 38,250,847.48 |
| Liabilities of Customers under Letters of Credit as per contra | | 357,056.69 |
| Mortgages on Real Estate sold by the Bank | | 177,420.58 |
| Real Estate other than Bank Premises | | 297,122.78 |
| Non-Current Loans, estimated loss provided for | | 609,803.64 |
| Bank Premises, at not more than cost, less amounts written off | | 3,744,776.87 |
| Other Assets not included in the foregoing | | 174,898.23 |
| | | $86,559,055.36 |

A. F. WHITE, *President.* N. L. McLEOD, *General Manager.*

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of The Standard Bank of Canada at its Head Office for the year ended January 30th, 1926, and have been furnished with certified returns from the branches. We have obtained all the information and explanations we have required, and in our opinion all transactions of the Bank which have come under our notice have been within the powers of the Bank.

The Bank's investments and cash on hand at its chief office and certain of its principal branches were verified by us as at January 30th, 1926.

We certify that, in our opinion, the above general statement of Liabilities and Assets at January 30th, 1926, discloses the true condition of the Bank, and is in accordance with the books of the Bank.

Toronto, February 17th, 1926.

E. JAMES BENNETT, F.C.A.,
of George A. Touche & Co.
D. McK. McCLELLAND, F.C.A.,
of Price, Waterhouse & Co.

# Tariff Board Must be Impartial —Permanent and Non-Political

## Similarly Flexible Provisions as Adopted in States Impossible Under Our Constitution— Effect the Same

That the formation of a tariff board in Canada presents distinctly different problems from those encountered in the United States, is explained in this third of a series of articles written by J. Courtland Elliott. The previous two articles which appeared in The Financial Post under Mr. Elliott's name analyzed the flexible tariff provisions of the Fordney-McCumber Tariff Act of 1922 and the procedure adopted by the United States Tariff Commission to carry them out. The merits and disadvantages of the provisions are considered in conjunction with their applicability to Canadian conditions herewith.

WASHINTON—No subject of popular discussion is more misunderstood than the tariff. Yet the very vein in which that discussion is carried on gives rise to a deep cleavage in opinion which is but a slight rift in fact. The cleavage is based upon an undue reliance upon the classical theory of free trade versus protection which are miles apart in their conclusions. As a practical policy, however, the real question is not, and for forty years has not been, on these theoretical issues which are still relied upon in public and private debates for evidence.

The tariff problem has long since passed the stage when it was a question of whether a protective policy would be established in Canada. The immediate problem relates to the extent of protection. Discussion of free trade versus protection now is exactly eighty years behind the times, for it was in 1846 that England's example aroused some discussion in Canada on the respective virtues of the two policies.

No practical man to-day, not even on the prairies of the West, looks for an immediate reversion of policy to that of free trade, and at the opening of the Canadian parliament this year Hon. Ernest Lapointe frankly recognized its impossibility. The investment, commercial and employment aspects of the tariff are dominant factors in an exceedingly sensitive economic organization which preclude any overnight acceptance of free trade in practice.

Upon this fact—no matter how far it may be from the ideal of universal free trade—there will be general agreement in all shades of political opinion. It is not a question then of "whether" but rather one of "how much" the suggestions of the United States Tariff Act of 1922 are fruitful.

### The Limitations of Parliament

Tariff rate-making by Parliament, as distinguished from tariff policy-making, presents enormous technical, political and economic difficulties. In the framing of a wise tariff members of Parliament, except in rare instances, have neither time nor aptitude to master rate-making, because thousands and thousands of issues, upon which no one man could have specialized and accurate information, are raised. The completely scientific tariff is a phantom, for, in addition to technical and statistical information, there must be common-sense and judgment which are not included in the exact sciences.

Congress has frankly recognized the limitations of its members. Who among them would be able to inform himself on the hundreds of dutiable commodities ranging from glycerophosphoric acid and aubusson carpets at the beginning of the alphabet to zaffer and zinc sulphate at the end? Yet framing the tariff is concerned with such items as they relate to revenue requirements, industrial stability and public welfare. A decision cannot be made on the basis of party affiliations, whether one is a Democrat or a Republican, a Liberal or a Conservative. There is no public policy or general principle broad enough to cover every item in the tariff.

It was wisely determined to place the preliminary investigations under the supervision of the United States Tariff Commission and with the flexible tariff provisions common-sense control of the tariff has been tried. It is impossible for the president to foster coffee-growing in Wisconsin, because Congress has already determined what articles are to be dutiable and has prohibited the transfer of a commodity from the free to the dutiable list. Likewise, by establishing a maximum limit of duties under the flexible tariff sections Congress has assured itself that an industry ill-adapted to the economic conditions of the United States cannot survive.

### Limitations of Flexibility

Viewed in the light of their delegation of tariff control to the president, the flexible tariff provisions have no place in Canadian political organization and the method of control they propose should not be introduced. In Canada there is nothing similar to the executive powers in this country, and, even if there were delegation of control to the Cabinet, there would be no reason and a great danger involved. Even in the United States the four principal and permanent commissions, the Interstate Commerce Commission, the Federal Trade Commission, the Tariff Commission and the Federal Reserve Board, are under fire and recently Senator Norris, of Nebraska, charged that President Coolidge had endeavored to influence unduly the activites of the Tariff Commission.

If Canada is to establish a tariff commssion, American experience amply justifies the conclusion that it must be impartial, permanent and as far removed from politics as possible. Any other type of commission can count its days when it begins to function. This conclusion, however, does not presume that there is no virtue in the flexible tariff provisions nor that the tariff policy of Canada will not continue to be a political matter. The very question of how much tariff protection shall be granted to industry involves wide personal and political opinions.

The appointment of a competent tariff commission will tend, however, to bridge the gap which now exists, and it will be surprising if there is not complete agreement among the parties upon many matters which now separate them. That this result would be worth many times the cost of the commission is evident.

### The Basis of Protection

It is not possible here to reiterate the various principles underlying the tariff commission's work which the writer has expanded in The Financial Post during the past five years. It will suffice to say that the appointment of a commission will, in no way, relieve Parliament of its control over the tariff. It will, on the other hand, remove many of the generalities in tariff discussion and reduce it to a question of the relation of the tariff duties in certain schedules to the affected industries, public welfare and government finance. This is as it should be, and the one-way street to progress.

When all is said and done and when the smoke of political battles has cleared away, the tariff question is not one of free trade versus protection but rather one of estimating whether the cost of maintaining or establishing a specific industry is greater than the public benefits derived. No general principle in economic text-books can supply the answer and no general answer can be forthcoming. The conclusions should depend in any specific case upon the information provided by the Tariff Commission. The most rabid protectionist will not insist on a protective duty for orange growers in Canada; neither will the most thorough free-trader jeopardize a large part of industrial equipment and employment by complete removal of tariff rates at one fell stroke.

### Tariff Stability and Production Costs

Several final conclusions may be drawn from this examination of the

(Continued on page 9)

# Lowering Distribution Costs Task of Modern Business

## First Quarter of Century Contributed Mass Production as Solution of Output Costs — Selling Costs the Problem of the Day

*Public attention has been gradually shifting from the problems of production to those of distribution. Production has virtually become a science. The fact is just beginning to be appreciated that distribution has been pitifully neglected, and it is to these problems that business is now turning its serious attention. The next five years will see wide-spread attempts to lower selling costs— to reduce the overhead of distribution. Members of the editorial staff of The Financial Post have been making an exhaustive study of this problem in its many phases, and the following paragraphs introduce a series which will be presented in subsequent issues.*

Mass production is the twentieth century's answer to the problem of feeding and clothing the world's billion-and-a-half people. More accurately, it was the solution offered by the first quarter of the century. Its discovery was by no means sudden. Decades of groping and experimentation were required to teach the race that scientific principles could be applied to business and industrial problems—that by study and research certain manufacturing operations could be simplified and standardized. Experiment showed that time and energy could be saved by one individual repeating the same operation indefinitely and becoming specialized in it, rather than passing back and forward attending to several operations. Combined with this there developed a study of the cost of the various operations—an attempt to utilize all by-products, and a more accurate accounting system in manufacturing. The twenty-five year period just past was not responsible for all this, but it marked the culmination of the movement. The net result was a speeding up of the agencies of production and an enormous increase in the world's supply of goods.

But in the interval a new discovery has been made. Investigation disclosed the amazing fact that in many cases production costs had been brought far below the cost of selling the product. These latter were declared "out of line." It was learned, for example, that the costs of labor and material required to produce an automobile, in many cases, were exceeded by the cost of marketing the product. Further investigation showed that the distribution costs were showing a persistent inclination to rise. The discovery was so seriously received that it created a widespread demand for a thorough investigation into the whole process of distribution. It is with a view to studying what has already been done in this direction that the present series is written.

### A Conference is Called

The first tangible result of the situation outlined was the calling to Washington of representatives of retail and wholesale trade organizations and leading distributors to confer on a possible solution of the newly discovered problem. The National Distribution Conference, as this meeting was called, was attended by business leaders from all parts of the United States. A representative of The Financial Post, incidentally, was the only Canadian delegate, and it is therefore the aim of The Financial Post to provide Canadian business with the details of what is being and what has already been done. Such matters were discussed as the cost of selling, market analysis, the gathering of statistics on distribution and plans were made for co-operation in the accumulation of such information by interested trade and other organizations.

In subsequent issues of The Financial Post will be found discussions of the various phases of the distribution problem. The first will appear in next week's issue.

# Twenty Per Cent. More Automobiles Are Made

A rise of almost 20 per cent. in output of automobiles and trucks during 1925 is the record made by Canadian motor car manufacturers. Passenger cars increased from 117,765 in 1924 to 139,311 last year, and trucks manufactured rose from 17,481 to 22,078. This makes a total for 1925 of 161,389 vehicles against 135,246. The total number of passenger cars made in the United States was 3,678,328 and of trucks 475,026, an increase of approximately the same percentage as that made by Canada. Canada's January output was 11,252 passenger cars and 2,910 trucks.

The monthly record of automobiles and trucks made in Canada last year was:

| | Passenger Cars | Trucks |
|---|---|---|
| January | 8,301 | 1,565 |
| February | 10,779 | 1,693 |
| March | 13,014 | 2,083 |
| April | 15,515 | 1,576 |
| May | 18,351 | 1,888 |
| June | 14,249 | 1,794 |
| July | 11,140 | 1,845 |
| August | 7,430 | 1,486 |
| September | 10,372 | 2,480 |
| October | 13,921 | 1,694 |
| November | 8,741 | 2,237 |
| December | 7,498 | 1,731 |
| Total | 139,311 | 22,078 |
| 1924 total | 117,765 | 17.481 |

### NEW RECORD FOR CHEESE EXPORTS

MONTREAL.—During 1925 Canada exported 150,742,000 lbs. of cheese, valued at $34,575,000, as compared with 121,465,000 lbs. in 1924, an increase of almost 25 per cent. in quantity. Last year's export of cheese has not been equalled for many years, and is only a little below the record established in 1904, but is $10,000,000 ahead of that record in total value. As usual, about 90 per cent. of the cheese exported from Canada went to the United Kingdom.

Capital: $1,000,000
Reserve: 350,000

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Reserve Fund $20,000,000

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CHARLES BAUCKHAM
*Manager, Regina Branch*
LORNE JOHNSON
*Secretary*
JAMES R. LOVATT

### Fourteenth Annual Financial Statement as at December 31st, 1925

#### CAPITAL ACCOUNT

ASSETS

| | | |
|---|---|---|
| Book Value of Real Estate: | | |
| Office Building, Regina | | $ 110,000.00 |
| Less Mortgage thereon | | 38,417.45 |
| | | $ 71,582.55 |
| Real Estate held for sale | | 6,193.93 |
| | | $ 76,776.48 |
| Office Furniture, Fixtures, etc., less depreciation | | 4,818.13 |
| Mortgages and Agreements Receivable—Net: | | |
| Principal | $349,038.43 | |
| Interest Past Due and Accrued | 22,784.75 | 371,823.18 |
| Loans on Corporation's Own Shares | | 47,484.44 |
| Loans on Other Securities | | 14,019.00 |
| Securities: | | |
| Dominion of Canada Victory Loan Bonds | $ 2,377.77 | |
| Provincial, Municipal & other Bonds | 1,083,15 | |
| Stocks | 2,150.66 | 5,611.58 |
| Advances to: | | |
| Guaranteed Trust Account | 945,42 | |
| Estates, Trusts and Agency Account | 104,082.90 | |
| | | 105,028.33 |
| Fees, Commissions and Accounts Receivable —Net | | 12,128.16 |
| Cash on Hand and in Banks | | 55,544.37 |
| | | $ 693,233.66 |

LIABILITIES

| | | |
|---|---|---|
| Capital Stock: | | |
| Authorized, 10,000 shares of $100.00 each | | $1,000,000.00 |
| Issued, 8,428 shares of $100.00 each on which there has been paid | | $ 579,298.29 |
| Reserve Fund | | 75,000.00 |
| Accounts Payable | | 1,530.75 |
| Dividend Payable January 1, 1926 | | 17,383.78 |
| Deferred Profits Reserve | | 8,202.73 |
| Reserve for Income War Tax, 1925 (Estimated) | | 2,458.53 |
| Profit and Loss | | 9,359.58 |
| | | $ 693,233.66 |

#### GUARANTEED TRUST ACCOUNT

| | | |
|---|---|---|
| Mortgages: | | |
| Principal | $26,450 | |
| Interest Past Due and Accrued | 255.51 | |
| | $26,705.51 | |
| Dominion of Canada Victory Loan Bonds at Cost and Accrued Interest | 16,183.62 | |
| Cash on Hand and in Banks | 7,027.07 | 49,916.20 |

| | | |
|---|---|---|
| Guaranteed Investment Receipts | $ 31,831.09 | |
| Interest Accrued and Unpaid on Guaranteed Investment Receipts | 498.85 | |
| Deposits Bearing Interest | 16,640.84 | |
| Due to Capital Account in Respect of Advances | 945.42 | |
| | | 49,916.20 |

#### ESTATES, TRUSTS AND AGENCIES ACCOUNT

| | | | |
|---|---|---|---|
| Inventory Value of Assets under Administration | $5,505,797.96 | Amount due on Realization | 5,505,797.96 |
| Total | $6,248,947.82 | Total | $6,248,947.82 |

#### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31st, 1925

| | |
|---|---|
| Dividends paid to Shareholders | $ 34,623.10 |
| Dominion, Provincial and Business Taxes, including additional charges applicable to prior years | 6,080.83 |
| Transfer to Reserve Fund | 25,000.00 |
| Balance as at December 31, 1925 | 9,359.58 |
| Total | $ 75,063.51 |

| | |
|---|---|
| Balance as at December 31, 1924 | $ 26,997.57 |
| Add Net Profit for the year after deducting Management Expenses, etc. | 48,065.94 |
| Total | $ 75,063.51 |

#### AUDITORS' CERTIFICATE

*We have audited the books and accounts of The Sterling Trusts Corporation maintained at Toronto and Regina and have prepared therefrom the appended Capital and Guarantee Trust Balance Sheets, which, in our opinion, are properly drawn up so as to exhibit a true and correct view of the financial position of the Corporation as at December 31, 1925.*

*We have verified the Cash in Banks and on Hand, and have satisfied ourselves as to the Corporation's interest in the various investments.*

PEAT, MARWICK, MITCHELL & CO.,
*Chartered Accountants.*

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# *The Securities Markets*

## GOOD NEWS AND LOTS OF MONEY HELP ADVANCE

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**Market Indicator**

| 20 Industrial Stocks | High | Low |
|---|---|---|
| Week of Feb. 23 | 96.9 | 92.9 |
| Week of Feb. 17 | 94.9 | 90.6 |
| Mth. of Feb., 1925 | 76.4 | 71.9 |
| **9 Bank Stocks** | | |
| Week of Feb. 23 | $227 | $225 |
| Mth. of Feb., 1925 | 206 | 204 |
| **10 Public Utilities** | | |
| Week of Feb. 23 | 96 | 94 |
| Mth. of Feb., 1925 | 86 | 82 |

During another week in which the general forward movement of Canadian stocks has been continued, the markets in Montreal and Toronto have shown a disposition to act independently of Wall Street. Reports as to business conditions present and prospective, favorable annual statements from various companies and financial institutions and a plentiful supply of money have been constructive factors in the general situation and have encouraged both investment and speculation—the line between which is always difficult to define. There has been some disposition to take profits on the stocks which have been spectacular leaders in the advance, but even so these show a net gain on the week's trading, and a very substantial number of the more conservative industrials have moved forward in an impressive way. There is nothing to indicate that the movement has as yet exhausted the possibilities of business improvements or that there is any check on the money supply, but it should not be overlooked that present market values are undoubtedly based on future prospects and the slump in the United States markets during recent weeks should not be overlooked as an indication that reactions are to be taken into consideration. With conservative investors the stocks of companies of proven dividend performance and bonds are receiving a greater share of attention as the speculative favorites move to higher levels.

The developments in Wall Street have been such as to encourage a spirit of caution. The level of prices there has now reacted to a level comparable with that before the advance which accompanied year-end investing. Of late there seems to have been a tendency on the part of the professional element interested in the movement for the rise to realize on stocks which have not found a wide popular demand and the bears, long forced into the background, have not been slow to take advantages of this situation. Opinion differs as to whether the present decline is in the nature of another readjustment in which the bears may be inclined to over-do things, or whether it is a major bear market. On the one hand the argument is the long period of rising prices and the doubt as to whether the latter half of the year will find sustained prosperity, while on the other the contention is that there is nothing in the business or financial situation to favor the engineering of a broad bear market.

In the following summary of the changes recorded in the Canadian markets it will be noted that in all of the groups, with the exception of the miscellaneous industrials, the advances have been more general than declines—in some groups practically all of the important stocks have moved forward:

| | Gains | Loss | Unch. | Total |
|---|---|---|---|---|
| Banks | 4 | 3 | 2 | 9 |
| Paper | 9 | 2 | 2 | 13 |
| Steel | 8 | 5 | 3 | 16 |
| Foodstuffs | 11 | 6 | 9 | 26 |
| Utilities | 12 | 3 | 7 | 22 |
| Tractions | 8 | 2 | 1 | 11 |
| Textiles | 6 | 1 | 3 | 10 |
| Industrials | 9 | 15 | 7 | 31 |
| Totals | 67 | 37 | 34 | 138 |

Led by Steel of Canada, which moved up to 106½, and held the most of the gain, the steel group improved in a very impressive manner. The Steel report was a particularly favorable one and the statement of Robert Hobson, the president, of a very optimistic character as regards the future of the industry. Dominion Bridge also made an important gain to 99½ before reacting moderately, but for the most part the other changes were not large.

The paper group was generally strong, although no very important advances were recorded. Howard Smith Paper was inclined to sell easier on the appearance of the annual report, but the preferred firmed up a point. Abitibi was strong, as was Laurentide, Provincial and Spanish, but Price common sold off three points, although the preferred sold higher.

In the milling and foodstuffs group B.C. fishing was a feature with a further advance on the dividend announcement of directors. City Dairy moved impressively forward to 76. Shredded Wheat recovered to 203. Canners preferred made a good advance. Bakeries common was easier. In the milling section Ogilvie gained five points to 200 but in the other stocks the trading was light and changes not important.

In the utilities group Brazilian Traction was a feature, moving up close to par. Montreal Tramways sold off to 174. Twin City gained better than a point and Winnipeg Electric nearly three points. Consumers Gas went forward to 183 for a five point gain. Bell Telephone was a little easier. Ottawa Light, Heat and Power moved up five points to 100. Shawinigan went to 190. Southern Canada and Quebec Power both were stronger.

Canadian Pacific Railway went to 160 and better and was helpful in maintaining the generally bullish tone of the market. Canada Steamships common and preferred both advanced on the rumor of merger negotiations but later reacted on denial, although maintaining a substantial portion of the gain.

In the textiles Penmans moved up to 190 on the publication of the annual report, which made a favorable showing, particularly as regards the volume of business being done. Converters, Canadian Cottons, and Dominion Textile also sold to higher levels.

In general industrial group F. N. Burt sold off, evidently reflecting disappointment after unwarranted expectations that there would be a further increase in dividend. Asbestos was stronger. Crows Nest coal moved up again to 72. Lyall was higher, as was National Breweries. Other changes, generally to lower levels, were not important.

In the bank group gains and losses were pretty evenly divided with Imperial, Nova Scotia, Standard and Toronto moving up and Commerce, Nationale and Montreal selling lower. In the loan group Canada Landed recovered to 99 following the decline which came after the annual meeting.

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### CANADIAN WESTERN LUMBER

While the Canadian Western Lumber Company reports a decrease of 378,902 feet in sales of lumber for December compared with the same month in 1924, the company showed an increase in the price realized. The amount of lumber sold during December was 9,711,962 feet,

## SOUTHERN CANADA ADDS NEW PLANT TO ITS TERRITORY

### American Wringer Company Locates Canadian Plant in the Eastern Townships

**From Our Own Correspondent.**

MONTREAL.—Another new industry is locating in the Eastern Townships of Quebec. The American Wringer Company, the largest organization of its kind in the world, has made all the necessary arrangements to locate a branch plant at Farnham, P.Q. This new plant will take care of the company's Canadian business and, as the export demand to countries with which Canada has preferential trade agreements grows, the plant will be enlarged by the acquisition of additional space.

The new Canadian branch plant will be known as the American Wringer Company of Canada; at first the output will consist entirely of rubber covered rolls for the pulp and paper, textile and other industries. Later, domestic wringers will be added to the production.

The addition of this one plant, of course, means but little in the way of an increased load for the Southern Canada Power Company, but it does give some indication of the results attendant upon the efforts of the company to increase the number of industries in the territory which it serves. A week or two ago, it was announced that a cellulose industry was moving to Drummondville, P.Q. On the heels of this comes the news of yet another plant—the work the company is doing in this connection seems to be meeting with even more frequent and more successful results.

**Has Established 27 Industries**

All told, Southern Canada Power has been instrumental in establishing 27 new industries in its territory. It can be seen that this has a very direct bearing on, not only the industrial load carried on the company's transmission lines, but has also served to increase the amount of electricity sold to domestic users through the greater number of industrial employees now located in various centres of the Eastern Townships.

There is one other point worthy of note in this connection. Until the formation of the Southern Canada Power Company in 1915, the Townships were served by local publicly owned utilities and industrial progress in this section merely kept pace with the rest of the Dominion. Now, however, the Eastern Townships are blossoming out into one of the dominant industrial sections of Canada; this increased expansion dates from the company's inception and is largely traceable to its efforts — in other words, it would appear that the publicly owned utility is better equipped to advance the interests of the territory it serves than the publicly owned power developments.

## BRITISH AMERICAN OIL'S GOOD YEAR

### Dividend Rate is Increased as Result of Better Conditions in the West

Improvement in conditions in Western Canada, where for the first time in several years the company was able to make a satisfactory showing following the harvesting of a good crop at good prices, the British-American Oil Company in connection with its annual report was able to announce an increase in the dividend rate to 2½ per cent. quarterly. The company has paid dividends continuously since 1908, and the regular rate prevailing previously was 8 per cent. per annum, payable quarterly, while in the years 1922, 1923 and 1924, a bonus of 2 per cent. was paid, making a 10 per cent. distribution for those years. Total disbursements during 1925, including the dividend of $1 for the final quarter of the year, amounted to 10 per cent. on the shares of $25 par. The chief significance of the dividend announcement is that the stock is now definitely on a 10 per cent. basis rather than 8 per cent. basis with bonus.

The company does not make public its profits and loss figures, nor its balance sheet. President S. R. Parsons intimated, however, tht 1925 was the most satisfactory year in the company's history.

The report of G. T. Clarkson as investigator under the Ontario provincial government of the oil companies and their operations, was mentioned by Mr. Parsons and referred to as eminently fair to all interests. The report showed, contrary to accusations made, that there have been no profiteering—in fact that the profits of the oil companies had been very reasonable over a series of years and that gasoline made in Canada, generally speaking, was of a better quality than that imported from the United States.

The company made large expenditures during the year in machinery, plant and equipment, at its refineries, as well as at distributing branches. There are now nearly 400 points where the company carries supplies of its products in Ontario, Quebec, and the three prairie provinces.

### Increase in Pacific Burt Dividend is Predicted

Three of the "Moore" group of companies have issued their annual reports for the year 1925 and in each case results have been excellent. A fourth company, Pacific Burt, does not close its fiscal year until the end of March. This company, which operates in the western United States field, makes certain products similar to those of American Sales Book and Pacific Burt, and there is every reason to believe that it, too, will show substantial growth in earnings, says the Watt and Watt Survey.

Pacific Burt has a good earnings record behind it, for 1923-24 and 1924-25, when 20.85 per cent. and 16.56 per cent., respectively, were earned on the common stock. Probably the company in 1925-26 will, at least, equal its 1923-24 record. The company has been paying 6 per cent. per annum, but it is obvious that it can do much better than that for shareholders. That the management will be more liberal in its dividends, as soon as the company's finances are "built up sufficiently," may be taken for granted. Experience has proved that the directors keep their secrets well, until they are ready to divulge them. Watt and Watt believe an increase in the dividend may be expected, within a reasonable period. Meanwhile, the company's earnings-power warrants constructive views as to the future of the stock.

# *Food Products*

## B.C. FISH RISES ON NEW DIVIDEND

### Stock Reaches 65 on Announcement of Resumption of Payments

The long anticipated action of the directors of the British Columbia Fishing and Packing Company in announcing that four quarterly dividends of 1¼ per cent. each, or at the rate of 5 per cent. per annum, had been declared for the current year, was well received by shareholders, and the investment community, generally, being followed by renewed buying of the shares on the stock market which took the price to a high point of 65. These dividends will be the first paid on B. C. Fishing stock since May 21, 1921.

A year ago the common shares of B. C. Fishing were selling around 20. Since then, with the improvement in the company's prospects, the price has moved steadily upwards. The initial dividend of 1¾ per cent. was paid in November, 1914, in May and November, 1915, 1¾ per cent. was paid; in May and November, 1916, and May and November, 1917, 2 per cent. was paid, while in May, 1918, 2½ per cent. was paid. In August and November, 1918, and February and May, 1919, 1¼ per cent. was paid, and August, 1919, to May, 1920, 1½ per cent. quarterly.

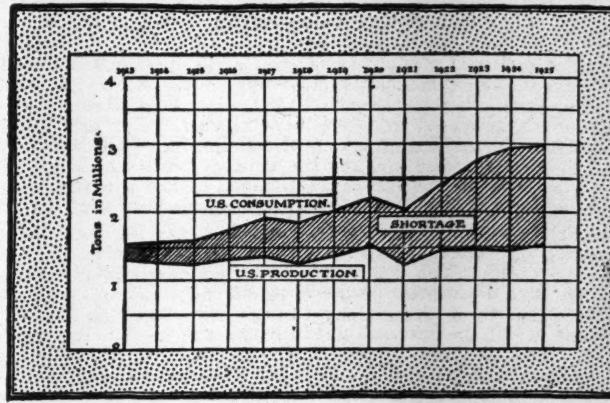
Selling at 65, B. C. Fishing shares are moving towards a high record of 73 established in 1919.

### Anti-Trust Action Aims to Limit New Mergers

The United States Dept. of Justice's anti-trust suit against the National Food Products Corporation is said to be in line witth a purpose to forestall tendencies towards monopolies rather than to combat a monopoly already formed. There is evidently no desire to prosecute the company concerned, as a company, but there is a feeling that the merging movement is gaining undue impetus.

The statement was made that the department did not hold in the petition for a restraining order that the corporation had acquired actual control of a number of chain grocery and other food and dairy organizations, as previously reported. It was set forth that rather the corporation had obtained stock in such organizations, the amount of which was not specified and that this stock should be relinquished.

Among concerns listed, in which the department said stock had been acquired by the National Food Products Corporation, were these: Great Atlantic & Pacific Tea Company; National Dairy Products Corporation; H. C. Bohack Company, Inc.; James Butler Grocery Company, First National Stores, Inc.; Abbotts Alderney Dairies, Inc.; The Borden Company; Reid Ice Cream Company; United States Dairy Products Corporation, and the Detroit Creamery Company.



The Newsprint Situation

The chart shows the actual condition of the world's greatest consumer of newsprint and the principal buyer of Canadian newsprint.

Consumption in the United States almost doubled between 1913 and 1924. On a per capita basis it has grown from 4 pounds in 1860 to 50 pounds in 1924.

Side by side with this rapidly increasing consumption—which shows no signs of abating—goes a steadily increasing shortage of United States production. Last year half of the newsprint consumed there was imported, Canada supplying all but a fraction of the imports.

Our latest booklet analysing the newsprint situation, replete with charts and latest data is now off the press. Write for a copy.

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### Ogilvie Flour Strong; Most Milling Stocks Weak

Weakness is the feature of the milling stocks, with the exception of Ogilvie, which has shown a firming tendency of late. The common opened at 175 at the beginning of the year and gradually appreciated to the present quotation of 198, which is a gain of a few points over last week. International Milling has also maintained its position around 105, having strengthened somewhat since the beginning of the year. Western Canada stands at 115.

With most of the other stocks, the effect of keen foreign competition is seen. Lake of the Woods has eased from 175 last week to 170 and 171 at present. The preferred remains around 116. Maple Leaf common opened the year at 88, but has lost 11 to 77. The preferred stock has eased to 97 from a high of 102 last month. St. Lawrence common had a high of 45 last month, but has eased to around 38. St. Lawrence has shown a slight improvement.

After reaching a high of 218 at the beginning of February, Shredded Wheat reacted steadily to 198, but has retrieved part of the loss, standing now at 203.

The *Consolidated Mining & Smelting* Co. reports ore receipts at the Trail Smelter for the period Feb. 8 to Feb. 14, amounting to 8,347 tons, and for the year to date 59,073 tons.

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# SIMPSONS HAD BIGGER TRADE IN PAST YEAR

## But the Margin of Profit Was Smaller, Says the President

In view of the new financing during the year, and the wider distribution of the company's securities, the annual report of Simpsons Ltd., the holding company for the Robert Simpson Company, Ltd., of Toronto, and subsidiaries has been received with a great deal of interest. In addition, being one of the country's largest retailing and mail order organizations, the results are regarded as significant in relation to general business conditions throughout Canada.

The combined net profits from operations of the constituent companies were shown at $1,933,193, compared with combined net profits of $1,923,732 for the preceding year. Profits, however, were shown after depreciation and in this connection it may be pointed out that the reserve for depreciation of buildings and equipment was increased by $543,119 to a total of $3,768,235.

Disbursements shown in the consolidated profit and loss statement included $201,000 on Robert Simpson Co., 6 per cent. preferred shares and $50,250 reserved for but not yet due on the preference stock. A dividend of $58,625 was paid to common shareholders of the Robert Simpson Co., Ltd., prior to April 1, 1925, and dividends paid on the non-par shares of Simpsons Ltd., subsequent to April 1, 1925, amounted to $150,000. In addition the sum of $100,000 was reserved for an additional dividend payment on the non-par Simpsons' Ltd., stock. Interest on the 6½ per cent. collateral trust bonds from April 1, 1925, to Feb. 3, 1926, amounted to $308,000. The profits tax reserve was $208,800 and the reserve for bonus and employees' savings and profit-sharing fund was $230,000. The surplus profits carried forward amounted to $625,518.

**Profit and Loss**

| | 1925 | 1924 |
|---|---|---|
| Net profits | $1,933,193 | $1,923,732 |
| Pref. dividends | 201,000 | 201,000 |
| Res. for pref. div. | 50,250 | ....... |
| Com. dividend | 208,625 | 335,000 |
| Res. for div. | 100,000 | ....... |
| Bond interest | 308,000 | ....... |
| Tax reserve. | 208,800 | 191,863 |
| Res. for bonuses, etc. | 230,000 | 237,000 |
| | $1,306,675 | $ 964.863 |
| Balance for year | $ 626,518 | $ 958,869 |

H. H. Fudger, president, in presenting his report of the board of directors at the annual meeting, stated that the year's operations had been most satisfactory. The combined volume of sales was the largest in the history of the business. He remarked that the increase is not entirely apparent in the statment of profit and loss, because the company's customers have had the benefit of a slightly lower average mark-up. In addition, the cost of increased services has nearly kept pace with the increased volume. Mr. Fudger indicated that the maintenance of the volume would have been creditable because of the fact that the past fiscal year consists of 52 weeks, while the preceding fiscal year included 53 weeks. Mr. Fudger commented on the increase of $987,796 in current assets during the year, and the decrease of $19,980 in current liabilities. This improves the company's net working capital position in a substantial way. The liquid position was improved to the extent of $1,007,777. In the preceding report bank loans and overdrafts were shown at $427,374, and this was entirely wiped out during the year under review.

The consolidated balance sheet shows current assets of $10,071,447 and current liabilities $2,909,931. Corresponding figures for the previous year were: Current assets $9,083,650 and current liabilities $2,929,911. Investments were practically stationary at $160,870 and prepaid charges were also practically unchanged at $682,296. The company's capital assets are carried in the balance sheet at $13,105,086, plus additions during the year of $55,560. The company's total assets are shown at $24,075,285. Capital and surplus represented by 100,000 shares of no par value stock amounts to $5,999,255, including the surplus profits of $626,518 for the year under review, which were carried forward from profit and loss account.

In explanation of the smaller addition to surplus as compared with previous year, Mr. Fudger explained that the difference is accounted for by interest paid on the collateral trust gold bonds. The interest on these bonds, earned but not due, and the dividend earned and not due on the preference shares of Robert Simpson Co., Ltd., carried in a reserve account. These items aggregate $366,625.

There has been an increase in the Canadian holdings of the 6 per ent. preference shares of the Robert Simpson Co., Ltd., which were formerly owned largely by British shareholders. Over 80 per cent. is now held by Canadian investors.

### BIGGEST RUBBER BELTS MADE IN CANADA

MONTREAL. — The largest rubber belts in the world, both conveyor and transmission, are made in Canada, stated A. B. Hannay, manager and secretary of the Rubber Association of Canada, in reviewing the activities of this industry for the past year. The value of Canadian belting exported was $615,518.

# Stock Market Record

WEEK ENDING FEBRUARY 23

| | Div. Rate | Yield Feb. 22 | High for wk. | Low for wk. | Close Feb. 23 | Close Feb. 16 | Sales wk. | Range, 1926 High | Low |
|---|---|---|---|---|---|---|---|---|---|
| **Banks—** | | | | | | | | | |
| Commerce | 12+1 | 5.79 | 224 | 223 | 223 | 224 | 137 | 226 | 222 |
| Dominion | 12+1 | 5.98 | 217 | 216 | 217 | 217 | 114 | 219 | 215¼ |
| Can. Nationale | 10 | 6.28 | 162 | 159½ | 159½ | 162 | 48 | 170 | 159½ |
| Imperial | 12+1 | 6.07 | 214 | 212 | 214 | 212 | 35 | 215⅛ | 211 |
| Montreal | 12+2 | 5.38 | 262¾ | 259 | 259 | 261 | 183 | 263 | 258½ |
| Nova Scotia | 16 | 5.52 | 289 | 288 | 289 | 287 | 91 | 289 | 281 |
| Royal | 12+2 | 5.51 | 254 | 253 | 254 | 254 | 231 | 255⅛ | 248¼ |
| Standard | 12 | 6.00 | 200 | 199½ | 200 | 199½ | 41 | 200 | 198 |
| Toronto | 12 | 5.40 | 222 | 218 | 222 | 220 | 24 | 222 | 213 |
| **Paper—** | | | | | | | | | |
| Abitibi, com. | 4 | 4.81 | 83¾ | 81¼ | 82 | 81¾ | 4527 | 85½ | 71¼ |
| Do., pref. | 7 | 6.36 | .. | ... | ... | ... | ... | 116 | 109¾ |
| Belgo-Can., com. | 6 | 6.00 | 100 | 100 | 100 | 100 | 10 | 100 | 100 |
| Do., pref. | 7 | 7.00 | 101 | 99¾ | 100 | 99¾ | 1189 | 101 | 95¾ |
| Brompton | . | .... | 35⅛ | 33 | 34 | 33¾ | 6815 | 35⅛ | 26 |
| Laurentide | 6 | 6.46 | 93½ | 86 | 91 | 87¼ | 16929 | 93½ | 84¾ |
| Price Bros., com. | 2 | 3.03 | 67 | 64¼ | 66 | 69 | 155 | 72 | 57 |
| Do., pref. | 6½ | 6.58 | 99¼ | 98¾ | 99¼ | 97½ | 235 | 99¼ | 95½ |
| Prov. Paper, com. | 6+1 | 6.76 | 103½ | 101 | 103½ | 101½ | 100 | 103½ | 100 |
| Do., pref. | 7 | 6.73 | 104½ | 104 | 104 | 104 | 48 | 104½ | 100 |
| Smith, Howard, com. | . | .... | 54 | 50 | 50 | 52 | 853 | 54½ | 38 |
| Do., pref. | 8 | 8.04 | 101 | 98½ | 100 | 99 | 515 | 101 | 92¾ |
| Span. River, com. | 7 | 6.48 | 108 | 105½ | 107 | 105 | 3730 | 108 | 102¾ |
| Do., pref. | 7 | 5.93 | 118 | 117½ | 118 | 117½ | 455 | 119 | 114¼ |
| St. Maurice Paper | 6 | .... | .. | ... | ... | ... | ... | 106 | 104½ |
| Wayagamack | . | .... | .. | ... | ... | ... | ... | 83 | 73 |
| **Steel and Steel Industries—** | | | | | | | | | |
| B. E. Steel, com. | . | .... | 2⅛ | 2 | 2¼ | 2¾ | 1804 | 3⅛ | 2 |
| Do., pref, 1st | . | .... | 26 | 25 | 26 | 26½ | 650 | 30 | 25 |
| Do., pref. 2nd | . | .... | 8¼ | 7¼ | 7½ | 8¼ | 4941 | 10¾ | 7¼ |
| Can. Car & Found., com. | . | .... | 46 | 43 | 44¼ | 45½ | 440 | 49 | 33 |
| Do., pref. | 7 | 8.23 | 85 | 83 | 85 | 84 | 581 | 85½ | 73 |
| Can. Foundries, pref. | . | .... | 50 | 50 | 50 | 50 | 10 | 50 | 41½ |
| Can. Gen. Elec., com. | . | .... | .. | ... | ... | ... | ... | 51 | 51 |
| Do., pref. | 7 | 5.88 | 59 | 58 | 59 | 59 | 140 | 60 | 57 |
| Canada Iron, com. | . | .... | .. | ... | ... | ... | ... | 10 | 10 |
| Do., pref. | . | .... | .. | ... | ... | ... | ... | 42 | 40 |
| Can. Locomotive, com. | . | .... | .. | ... | ... | ... | ... | 35 | 35 |
| Do., pref. | 7 | 8.18 | 85½ | 85 | 85½ | 85½ | 32 | 85½ | 73 |
| Dominion Coal | . | .... | 42½ | 42½ | 42½ | 42¼ | 5 | 42½ | 40½ |
| Dominion Iron, pref. | . | .... | .. | ... | ... | ... | ... | 24 | 20 |
| Dominion Bridge | 4 | 4.08 | 99½ | 93½ | 97 | 92 | 2086 | 99½ | 80 |
| Dom. Radiator, pref. | 7 | 6.79 | .. | ... | ... | ... | ... | 103 | 103 |
| Dom. Steel Corp., pref. | . | .... | .. | ... | ... | ... | ... | 24 | 24 |
| Ford Motor | 10 | .... | 622 | 622 | 622 | ... | 2 | 622 | 622 |
| Ontario Steel, com. | 4 | 5.26 | 76 | 75 | 75¾ | 75 | 240 | 76 | 70 |
| Do., pref. | 7 | 6.93 | 101 | 101 | 101 | 100½ | 11 | 101 | 100¼ |
| Russell Motor, com. | . | .... | .. | ... | ... | ... | ... | 40 | 39 |
| Do., pref. | 7 | 7.86 | 89 | 89 | 89 | 90 | 35 | 90 | 82 |
| Steel of Canada, com. | 7 | 6.57 | 106½ | 100½ | 105 | 100 | 6461 | 106½ | 95⅛ |
| Do., pref. | 7 | 5.98 | 117 | 116 | 117 | 116½ | 136 | 117 | 114 |
| **Milling and Foodstuffs—** | | | | | | | | | |
| Atlantic Sugar, com. | . | .... | 27½ | 24 | 27¼ | 27½ | 5311 | 32⅞ | 24 |
| Do., pref. | . | .... | 82¾ | 80½ | 82¾ | 84 | 110 | 88 | 80 |
| B. C. Fishing | 5 | 7.69 | 65½ | 60¼ | 65½ | 61¼ | 7701 | 65½ | 57¼ |
| Canada Bread, com. | . | .... | 59 | 58 | 58½ | 60 | 105 | 61 | 58 |
| Do., pref., (A) | 7 | 6.48 | 108 | 108 | 108 | 108 | 40 | 110 | 106 |
| Do., pref. (B) | 7 | 7.17 | 97¾ | 97 | 97¾ | 97 | 188 | 97¾ | 96¼ |
| Can. Canners, com. | . | .... | 13½ | 13 | 13¼ | 13½ | 414 | 15 | 13 |
| Do., pref. | . | .... | 66½ | 63 | 66½ | 63½ | 1709 | 67¾ | 62 |
| Canadian Salt | 8 | 5.65 | .. | ... | ... | ... | ... | 145 | 131 |
| Christie Biscuits, com. | . | .... | .. | ... | ... | ... | ... | 63½ | 62 |
| Can. Bakeries, com. | . | .... | 30 | 30 | 30 | 32 | 7 | 36 | 30 |
| Do,. pref. | 7 | 7.17 | 97½ | 95 | 95¼ | 95¼ | 129 | 97½ | 95 |
| City Dairy, com. | 12 | 3.94 | 76 | 75 | 76 | 73½ | 97 | 81 | 73½ |
| Do., pref. | 7 | 6.33 | 112 | 109 | 110 | 110½ | 19 | 112 | 107 |
| Cuban Can. Sugar, com. | . | .... | 4 | 4 | 4 | 4 | 50 | 5 | 3½ |
| Do., pref. | . | .... | 28 | 28 | 28 | 27¾ | 160 | 28 | 24 |
| Dominion Stores, com. | 1.00 | .... | 68 | 68 | 68 | 67½ | 10 | 68 | 65 |
| Do., pref. | 8 | 6.89 | .. | ... | ... | ... | ... | 116 | 106 |
| Wm. Davies (A) | . | .... | 35½ | 34½ | 35½ | 35 | 335 | 37¼ | 34 |
| Wm. Davies (B) | . | .... | 10 | 10 | 10 | .. | 375 | 10 | 10 |
| Inter. Milling, pref. | 7 | 6.66 | 105¼ | 105 | 105 | 105 | 50 | 105¼ | 102½ |
| Lake of Woods, com. | 12 | 7.01 | 171 | 169½ | 171 | 171 | 71 | 175 | 169½ |
| Do., pref. | 7 | 6.03 | .. | ... | ... | ... | ... | 116 | 116 |
| Maple Leaf Mill, com. | . | .... | .. | ... | ... | ... | ... | 88 | 77 |
| Do., pref. | 7 | 7.21 | 97 | 96 | 97 | 97 | 59 | 102 | 96 |
| Ogilvie Flour, com. | 5 | 2.52 | 200 | 195 | 200 | 195 | 200 | 200 | 175 |
| Do., pref. | 7 | 5.64 | .. | ... | ... | ... | ... | 124 | 123½ |
| Pure Gold Mfg. | 50c | .... | 22¾ | 22½ | 22½ | 22½ | 360 | 23½ | 20 |
| Shredded Wheat | 10 | 4.92 | 203 | 198 | 203 | 198 | 82 | 218 | 169½ |
| St. Law. Flour, com. | . | .... | 38 | 38 | 38 | 38½ | 45 | 45 | 38 |
| Do., pref. | 7 | 8.33 | .. | ... | ... | ... | ... | 84 | 82¼ |
| West. Can. Flour | 8 | 6.95 | 115 | 115 | 115 | 115 | 36 | 115½ | 114 |
| Western Grocers, com. | . | .... | 7 | 5½ | 5½ | 6¼ | 1336 | 13¼ | 5¼ |
| Do., pref. | . | .... | 59½ | 56¼ | 58⅞ | 56½ | 783 | 64 | 49½ |
| **Utilities—** | | | | | | | | | |
| Bell Telephone | 8 | 5.71 | 140½ | 139 | 139 | 140⅛ | 661 | 141 | 139 |
| Consumers Gas | 10 | 5.49 | 183 | 178 | 183 | 178 | 38 | 183 | 174½ |

| | Div. Rate | Yield Feb. 22 | High for wk. | Low for wk. | Close Feb. 22 | Close Feb. 16 | Sales wk. | Range, 1926 High | Low |
|---|---|---|---|---|---|---|---|---|---|
| Inter. Utilities (A) | 87½c | .... | 36 | 35½ | 36 | 36¾ | 145 | 38½ | 35½ |
| Do., (B) | . | .... | 7½ | 7½ | 7½ | 9¼ | 50 | 9¼ | 7½ |
| Jamaica Pub. Ser., pref. | 7 | 7.14 | 98 | 98 | 98 | 98 | 11 | 98½ | 97½ |
| Laurentide Power | 5 | 4.76 | 105 | 105 | 105 | 105 | 119 | 110 | 105 |
| Mackay, com. | 7 | 5.18 | 136 | 135 | 135 | 135 | 454 | 138½ | 135 |
| Do., pref. | 4 | 5.55 | 72¾ | 72 | 72½ | 72½ | 321 | 73½ | 72 |
| Mexican Light, com. | . | .... | 30 | 30 | 30 | 30 | 20 | 30 | 29½ |
| Do,. pref. | . | .... | 64 | 64 | 64 | 64 | 25 | 64 | 64 |
| Mont. L. H. & Pr. Cons. | 8 | 3.55 | 227 | 222½ | 223 | 223 | 931 | 227 | 212⅜ |
| Montreal Telegraph | 8 | 6.40 | 50 | 49 | 50 | 49½ | 86 | 51½ | 49 |
| Ottawa L. H. & Pr. com. | 6 | 6.00 | 100 | 98 | 100 | 99 | 132 | 100 | 97½ |
| Do, pref. | 6½ | 6.19 | 105 | 105 | 105 | 105 | 15 | 105¼ | 102 |
| Quebec Power, com. | 5 | 4.03 | 124 | 122 | 124 | 122 | 405 | 124 | 113 |
| Do., pref. | 7 | 6.25 | 112 | 111¼ | 112 | 111 | 20 | 116 | 109½ |
| Shawinigan | 8 | 4.18 | 191 | 175½ | 190 | 176 | 2394 | 191 | 167½ |
| South. Can. Power, com. | 2.00 | 2.26 | 89½ | 88 | 89½ | 88½ | 31 | 90½ | 83 |
| Do., pref. | 6 | 5.94 | 101 | 101 | 101 | 101 | 1 | 101 | 100 |
| **Transportations—** | | | | | | | | | |
| Can. Pacific Railway | 10 | 6.25 | 160⅛ | 157 | 159¾ | 157 | 765 | 163 | 147 |
| Can. Steamships, com. | . | .... | 14½ | 11½ | 14 | 12 | 4031 | 14½ | 11 |
| Do., pref. | . | .... | 68 | 61½ | 64½ | 62 | 15354 | 68 | 56 |
| **Tractions—** | | | | | | | | | |
| Barcelona | . | .... | 29 | 28¼ | 28¼ | 29 | 140 | 29 | 27 |
| Brazilian, com. | 5 | 5.11 | 98½ | 93¼ | 97 | 93 | 77118 | 98½ | 80 |
| Do., pref. | 6 | 6.10 | .. | ... | ... | ... | ... | 98½ | 97½ |
| Detroit Un. Rly. | . | .... | 3½ | 3½ | 3½ | 3 | 225 | 3½ | 3 |
| Duluth-Superior | . | .... | 30½ | 30 | 30½ | 30 | 45 | 31½ | 29 |
| Illinois Tract, pref. | 6 | 6.23 | .. | ... | ... | ... | ... | 96¼ | 96¼ |
| Montreal Trams | 10 | 5.88 | 174¾ | 170 | 170 | 174 | 90 | 178 | 170 |
| Ottawa Traction | 4+1 | 7.87 | 64 | 64 | 64 | 63½ | 50 | 65¾ | 63 |
| Porto Rico Rlys., com. | . | .... | 46 | 45½ | 46 | 42 | 195 | 46 | 40 |
| Do., pref. | 7 | 7.73 | 90½ | 90½ | 90½ | 90 | 25 | 90½ | 87 |
| Twin City, com. | 4 | 5.17 | 77¼ | 74⅝ | 76¾ | 75¼ | 2385 | 79½ | 74⅛ |
| Do., pref. | 7 | 6.79 | .. | ... | ... | ... | ... | 103 | 103 |
| Winnipeg Elec., com. | 1 | .... | 53¾ | 50⅞ | 53 | 50¼ | 8945 | 54⅝ | 46½ |
| Do., pref. | 7 | 7.07 | 99 | 97 | 98¾ | 99 | 95 | 99 | 95 |
| **Textiles—** | | | | | | | | | |
| Can. Conn. Cotton, pref. | 4 | .... | .. | ... | ... | ... | | 49 | 46¾ |
| Can. Converters | 7 | 7.56 | 94 | 92 | 94 | 92¼ | 217 | 94 | 92 |
| Can. Cotton, com. | 8 | 6.50 | 123 | 121¼ | 123 | 121 | 35 | 124 | 121 |
| Do., pref. | 6 | 6.15 | 97½ | 97½ | 97½ | 97½ | 15 | 99½ | 95 |
| Can. Woollens, com. | . | .... | 8 | 8 | 8 | 8 | 10 | 8 | 8 |
| Do., pref. | . | .... | 50 | 50 | 50 | 50 | 15 | 50 | 50 |
| Dom. Textile. com. | 5 | 5.31 | 99⅛ | 93 | 97 | 98 | 3076 | 99⅛ | 91½ |
| Do., pref. | 7 | 5.78 | 121 | 121 | 121 | 122 | 5 | 122 | 119 |
| Monarch Knitting, pref. | . | .... | .. | ... | ... | ... | ... | 50 | 45⅛ |
| Montreal Cottons, com. | 6 | 5.71 | .. | ... | ... | ... | ... | 105 | 103½ |
| Do., pref. | 7 | 6.11 | .. | ... | ... | ... | ... | 114½ | 112 |
| Penmans, com. | 8 | 4.21 | 190 | 184½ | 190 | 186 | 430 | 190 | 180 |
| Do., pref. | 6 | 5.76 | 104 | 103½ | 104 | 103 | .20 | 104¼ | 103 |
| Wabasso Cotton | 4 | 6.45 | 65 | 62 | 65 | 65 | 45 | 65 | 62 |
| **General Industrials—** | | | | | | | | | |
| Amer. Salesbook, com. | 4 | 5.75 | 69½ | 69 | 69 | 69½ | 115 | 70 | 64 |
| Do., pref. | 7 | 7.29 | 96 | 95½ | 96 | 95¼ | 136 | 96 | 92 |
| Asbestos Corp., com. | 6 | 6.52 | 92 | 92 | 92 | 90½ | 278 | 94½ | 88 |
| Do., pref. | 6 | 5.21 | 115 | 113½ | 113½ | 115 | 40 | 116 | 113 |
| Brantford Cordage, pref. | 8 | 7.54 | 27⅛ | 26¼ | 26⅞ | 26½ | 451 | 27½ | 26 |
| Burt, F.N., com. | 12 | 4.83 | 63½ | 62 | 62 | 64 | 308 | 67 | 61 |
| Canada Cement, com. | 6 | 5.40 | 111½ | 108¾ | 110 | 109½ | 2965 | 111½ | 101¾ |
| Do., pref. | 7 | 5.98 | 118 | 116 | 117 | 118 | 224 | 120 | 115¼ |
| Cons. Rubber, pref. | 7 | 8.09 | .. | ... | ... | ... | ... | 86½ | 86½ |
| Can. Industrial Alcohol | 1.28 | 7.11 | 19 | 17¾ | 17¾ | 18½ | 5065 | 20 | 16¼ |
| Crow's Nest Coal | 6 | 8.33 | 72 | 70 | 72 | 68½ | 142 | 85 | 51 |
| Dom. Glass, com. | 7 | 7.23 | 97 | 96 | 96 | 97 | 115 | 98 | 85 |
| Do., pref. | 7 | 6.48 | .. | ... | ... | ... | ... | 108 | 106 |
| Eastern Theatres, com. | . | .... | 25 | 25 | 25 | 25 | 5 | 25¼ | 18¾ |
| Do., pref. | 7 | 7.77 | .. | ... | ... | ... | ... | 90 | 88 |
| Famous Players, com. | . | ... | 18½ | 17 | 17 | 18 | 70 | 18½ | 17 |
| Do, pref. | 8 | 8.64 | 93¾ | 92 | 92½ | 93¾ | 584 | 94¼ | 92 |
| Gilman, com. | 6 | 5.71 | 105 | 104½ | 105 | 105 | 20 | 106 | 104½ |
| Do., pref. | 7 | 6.06 | 115½ | 115 | 115½ | 115 | 22 | 115½ | 113¼ |
| Goodyear Tire, pref. | 7 | 7.23 | 97 | 96 | 96 | 96¾ | 226 | 97 | 93½ |
| Holt Renfrew, com. | . | .... | 26 | 26 | 26 | 26 | 3 | 26 | 26 |
| Do., pref. | 7 | 8.18 | .. | ... | ... | ... | ... | 85½ | 85½ |
| Lyall Construction | . | .... | 39¾ | 35 | 38 | 36½ | 1308 | 40 | 20 |
| National Brew, com. | 4 | 5.79 | 69 | 63¾ | 66 | 64 | 21617 | 69 | 56 |
| Do., pref. | 7 | 6.42 | .. | ... | ... | ... | ... | 12½ | 12½ |
| National Brick, com. | . | .... | .. | ... | ... | ... | ... | 110 | 106 |
| Do., pref. | 7 | 6.48 | .. | ... | ... | ... | ... | 72 | 67½ |
| Pacific Burt, com. | 6 | 5.71 | 105 | 104½ | 105 | 108¾ | 80 | 110 | 90⅝ |
| Do., pref. | 7 | 6.42 | .. | ... | ... | ... | ... | 109¾ | 102 |
| Port Hope Sanitary, com. | ¾ | .... | 85 | 85 | 85 | 85 | 25 | 85 | 74½ |
| Rogers, Wm. Com. | . | .... | 65 | 64 | 65 | 63 | 65 | 67 | 45 |
| Do., pref. | 7 | 7.36 | 95 | 90 | 90 | 94 | 26 | 95 | 90¼ |
| Sherwin-Williams, com. | 6 | 4.54 | 134 | 132 | 132 | 134 | 155 | 135 | 128½ |
| Do., pref. | 7 | 6.14 | 114 | 114 | 114 | 114 | 205 | 114 | 110½ |
| Sterling Coal | 4 | .... | 40 | 39 | 39 | 39 | 136 | 40 | 37 |
| Tooke Bros., com. | . | .... | .. | ... | ... | ... | ... | 8 | 8 |
| Do., pref. | . | .... | .. | ... | ... | ... | ... | 60 | 57 |
| Tuckett Tobacco, com. | 4 | 6.45 | 64 | 61¾ | 62 | 62 | 35 | 65 | 61¾ |
| Do., pref. | 7 | 6.73 | 104 | 104 | 104 | 103 | 40 | 104 | 102 |
| Woods Mfg. com. | . | .... | 40 | 39 | 39 | 40 | 345 | 44 | 38 |
| Do., pref. | 7 | 8.77 | 80 | 77¾ | 79¾ | 79 ¾ | 90 | 80 | 77¾ |
| **Trust and Loan—** | | | | | | | | | |
| Canada Landed | 10+1 | 5.61 | 99 | 98 | 99 | 96½ | 30 | 100 | 95 |
| Can. Permanent | 12 | 5.85 | 205 | 205 | 205 | 205 | 108 | 205 | 202½ |
| Colonial Invest | 6 | .... | 6½ | 6½ | 6½ | 4 | 8 | 6½ | 4 |
| Hamilton Prov. | 10 | 6.36 | .. | ... | ... | ... | ... | 157 | 157 |
| Huron & Erie | 7 | 5.38 | .. | ... | ... | ... | ... | 130 | 127½ |
| Landed Banking | 9 | 6.16 | .. | ... | ... | ... | ... | ... | ... |
| Central Canada | 12 | 5.71 | .. | ... | ... | ... | ... | 210 | 210 |
| Montreal Loan | 12+1 | 6.50 | .. | ... | ... | ... | ... | 50 | 50 |
| National Trust | 12 | 5.00 | .. | ... | ... | ... | ... | 240 | 235 |
| Ontario Loan | 11 | 5.23 | .. | ... | ... | ... | ... | 105 | 103½ |
| Real Estate Loan | 7 | 8.23 | .. | ... | ... | ... | ... | ... | ... |
| Toronto Gen. Trusts | 12 | 5.33 | .. | ... | ... | ... | ... | 225 | 225 |
| Toronto Mortgage | 10+1 | 5.88 | .. | ... | ... | ... | ... | 93½ | 93½ |
| Union Trust | 7 | 7.77 | .. | ... | ... | ... | ... | ... | ... |

### The Curb Market

| | Div. Rate | Yield Feb. 22 | High for wk. | Low for wk. | Close Feb. 22 | Close Feb. 16 | Sales wk. | Range, 1926 High | Low |
|---|---|---|---|---|---|---|---|---|---|
| Asbestos, com. (new) | . | .... | 23 | 21½ | 23 | 21½ | 37 | 24½ | 20 |
| Do., pref. (new) | . | .... | .. | ... | ... | ... | ... | 70 | 62 |
| Brit. Amer. Oil | 10 | 4.85 | 51½ | 50½ | 50½ | 51 | 1039 | 53½ | 50 |
| Ca. Oil, com. | 1¼ | .... | 68 | 68 | 68 | 68 | 108 | 74 | 65 |
| Do., pref. | 8 | 7.92 | 101 | 101 | 101 | 100 | 9 | 101 | 100 |
| Continental Oil | 25c | 1.08 | 23¾ | 23 | 23¾ | 23¼ | 265 | 26 | 23 |
| Dryden Power | . | .... | 7¼ | 7 | 7¼ | 7 | 165 | 7¾ | 6 |
| East. Engineering | . | .... | 1½ | 1 | 1 | 1½ | 525 | 1½ | 1 |
| Gooderham & Worts | 6 | 2.55 | 2.55 | 235 | 235 | 235 | 175 | 240 | 198 |
| Imperial Oil | 1.00 | 2.77 | 38½ | 35½ | 36 ⅛ | 35¾ | 1426 | 38½ | 35¼ |
| Inter. Petroleum | 75c. | 2.22 | 34 | 33¼ | 34 | 33⅝ | 485 | 35½ | 31⅞ |
| Manitoba Power | . | .... | 40¾ | 40¼ | 40¾ | 40 | 217 | 42 | 24 |
| North Star Oil, com. | . | .... | 1.05 | 95 | 1.05 | 1.00 | 20 | 1.06 | .95 |
| Do., pref. | 7 | .... | 4.75 | 4.50 | 4.75 | 4.75 | 2.50 | 4.75 | 4.50 |
| Simpsons, pref. | 6 | 5.88 | .. | ... | ... | ... | ... | 102 | 101 |
| St. Maurice Power | . | .... | 80⅛ | 77 | 80⅛ | 77 | 736 | 80⅛ | 77 |
| Toronto R. S. | . | .... | .. | ... | ... | ... | ... | 1.40 | 1.10 |
| Volcanic Oil | 62c | .... | 28½ | 27⅞ | 28 | 28½ | 160 | 29 | 27⅞ |
| Beacon Oil | . | .... | 19 | 18¼ | 18⅝ | 18¾ | 315 | 19½ | 18¼ |
| North Mex. Power com. | . | .... | 50½ | 49 | 50½ | 50 | 75 | 55 | 49 |
| Power Corp. | . | .... | 26 | 25½ | 25½ | 26 | 210 | 28¼ | 24½ |
| Illinois Power pref. | . | .... | 98½ | 97⅛ | 98½ | 97⅛ | 26 | 98½ | 96 |
| Pressed Metals | 2 | .... | 40 | 37 | 40 | 37 | 296 | 40 | 30 |
| St. Law. Power | . | .... | 42⅞ | 42½ | 42½ | 43 | 167 | 46½ | 36 |
| United Secs. com. | . | .... | .. | ... | ... | ... | ... | 65 | 64 |
| Do., pref. | . | .... | 104 | 103½ | 104 | 104 | 89 | 104 | 103 |
| English Elec., com. | . | .... | .. | ... | ... | ... | ... | 15 | 15 |
| Do., pref. | . | .... | 62 | 62 | 62 | 59½ | 50 | 62 | 59½ |
| Page Hersey pref. | . | .... | 135 | 120 | 135 | 105 | 20 | 135 | 105 |

# February Dividend Payments

| | |
|---|---|
| Dividends | $10,322,265 |
| Bond interest | 13,882,636 |
| | $24,204,901 |

**DIVIDEND PAYMENTS**

| Company | Rate | Date | Amount |
|---|---|---|---|
| B.C. Fishing | 1¼q | 10 | $53,647 |
| Belding Corti., pref. | 1¾q | 16 | 15,142 |
| Brazilian Tr., com. | 1¼q | 1 | 1,332,296 |
| Barcelona Tr., pref. | 1¾q | 31 | 406,855 |
| Cons. Rubber, pref. | 1¾q | 31 | 52,500 |
| Confederation Life | 5q | 31 | 5,000 |
| Cosgrave Brewery | 1½q | 16 | 15,000 |
| Crow's Nest Coal | 1½q | 1 | 93,189 |
| Capital Trust | 4 | 2 | 24,144 |
| Can. Bakeries, 1st pref. | 1¾q | 15 | 17,500 |
| Do., 2nd pref. | 1¾q | 15 | 17,500 |
| Dom. Radiator, pref. | 1¾q | 1 | 27,097 |
| East. Can. Savings | 2q | 30 | 15,000 |
| Famous Play., 1st pref. | $2q | 1 | 83,000 |
| East. Koot. Pr. pref.— | 1¾q | 15 | 13,125 |
| Dom. of Can. Guar. | 8½s | 1 | 10,566 |
| Dominion Life | 4q | 30 | 8,000 |
| Hollinger Mines | 1.6m | 24 | 287,000 |
| Imperial Oil | 25+25q | 1 | 3,255,763 |
| Int. Milling, pref. | 1¾q | 1 | 40,761 |
| Imperial Tobacco, com. | 1½q | | 484,149 |
| Do., pref. | 3s | | 240,900 |
| Keeley Mines | 8+4s | 15 | 240,000 |
| Lake Shore Mines | 10q | 15 | 200,000 |
| Lake of Woods Mill, com. | 3q | 1 | 105,000 |
| Do., pref. | 1¾q | 1 | 26,250 |
| London Life Ins. | 4q | 31 | 4,000 |
| Loblaw Groce., com. | 25cq | 1 | 18,000 |
| Do., prior pref. | 1¾q | 1 | 9,359 |
| Do., 2nd pref. | 3q | 1 | 7,110 |
| London Loan | 1¾q | 31 | 15,600 |
| McIntyre Mines | 5q | 1 | 119,500 |
| Montreal Cottons, com. | 1½q | 15 | 45,000 |
| Do., pref. | 1¾q | 15 | 52,500 |
| Montreal Loan | 3+1q | 15 | 24,000 |
| Ogilvie Mill, pref. | 1¾q | 1 | 35,000 |
| Ottawa & Hull Pr. pf. | 1¾q | 15 | 26,250 |
| N.B. Power, pref. | 1¾q | 1 | 17,500 |
| Port Hope Sanitary, com. | ¾ | 1 | 5,620 |
| Do., pref. | 1¾q | 1 | 4,364 |
| Royal Trust | 4q | 31 | 40,000 |
| Sher.-Williams, com. | 1½q | 31 | 60,000 |
| Do., pref. | 1¾q | 31 | 59,937 |
| Volcanic Oil | 62cq | 10 | 67,140 |
| West. Can. Flour | 2q | 15 | 57,500 |
| | | | $7,737,764 |

**Banks**

| Banks | Rate | Date | Amount |
|---|---|---|---|
| Commerce | 3q | 1 | $600,000 |
| Can. Nationale | 2¼q | 1 | 137,500 |
| Montreal | 3q | 1 | 897,501 |
| Provinciale | 2¼q | 1 | 67,500 |
| Royal | 3q | 1 | 732,000 |
| Toronto | 3q | 1 | 150,000 |
| | | | $2,584,501 |

q—Quarterly.
s—Half-yearly.
m—Monthly.

**Bond Interest Due in March**

| Company | Rate | Due | Amount |
|---|---|---|---|
| Abitibi Pulp | 8 | 1931 | $144,596 |
| Alabama Tr. | 5 | 1962 | 341,722 |
| Algoma East Ry. | 5 | 1961 | 62,500 |
| Algoma Cen. Rly. | 6 | 1964 | 9,564 |
| Bel Telephone | 5 | 1955 | 625,000 |
| Brompton Pulp | 6 | 1939 | 24,876 |
| Brand-Henderson | 6 | 1939 | 26,370 |
| B. C. Electric | 4½ | Perp. | 284,383 |
| Can. Bakeries | 6½ | 1945 | 26,000 |
| Canadian Steel | 6 | 1936 | 43,611 |
| Dom. Sewer Pipe | 6 | 1927 | 1,050 |
| Dom. Textile | 6 | 1949 | 115,160 |
| Dominion Iron | 5 | 1939 | 176,780 |
| Dunlop Tire | 6 | 1927 | 3,258 |
| Elect. Development | 5 | 1933 | 101,637 |
| Fraser Co.'s | 8 | 1941 | 75,160 |
| Hillcrest Collieries | 5 | 1940 | 8,125 |
| International Paper | 6 | 1955 | 675,000 |
| King Ed. Hotel | 7 | 1944 | 30,562 |
| Lake Sup. Paper | 6 | 1941 | 125,418 |
| Mexico Tramways | 5 | 1956 | 257,450 |
| Montreal Pub. Serv. | 5 | 1942 | 78,812 |
| N. B. Power | 5 | 1937 | 45,700 |
| N. S. Clay | 6 | 1930 | 1,782 |
| Ottawa L. H. & Pr. | 6 | 1953 | 19,500 |
| Ottawa Gas | 6 | 1939 | 23,589 |
| Robin, Jones & Whit. | 6 | 1930 | 5,763 |
| Prov. of Quebec | 4½ | 1950 | 112,500 |
| Span. River Pulp | 6 | Ser. | 32,340 |
| St. Law. Paper | 6½ | 1944 | 81,250 |
| Do. | 6 | 1945 | 27,000 |
| West. Can. Flour | 6 | 1928 | 14,994 |
| Do. | 6 | 1931 | 10,959 |
| West. Koot. Power | 6 | 1940 | 31,053 |
| Winnipeg Electric | 6 | 1943 | 97,500 |
| | | | $3,740,964 |
| Corporation Bonds | | | $3,740,964 |
| Municipal Bonds | | | *3,400,000 |
| Provincial Bonds | | | *2,800,000 |
| War Loan | 5 | 1937 | 2,254,172 |
| Victory Refunding | 4½ | 1940 | 1,687,500 |
| | | | $13,882,636 |

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*This figure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

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$45,000,000

**Dominion of Canada**

**Refunding Loan 1926**

**Twenty-Year 4½% Bonds**

**Dated February 1st, 1926** **Due February 1st, 1946**

Principal payable at the Office of the Receiver-General at Ottawa, or that of the Assistant Receivers-General at Halifax, St. John, Charlottetown, Montreal, Toronto, Winnipeg, Regina, Calgary or Victoria. Semi-annual interest (February 1st and August 1st) payable at any branch in Canada of any chartered Bank.

Denominations: $100, $500, $1,000.

All bonds may be registered as to principal only, and bonds in denominations of $500, $1,000, $5,000, $10,000 and $100,000 may be fully registered.

These bonds are authorized under Acts of the Dominion of Canada, and both principal and interest are a charge upon the Consolidated Revenue Fund. They are secured by the full credit and taxing power of the Dominion of Canada.

This offering is made subject to prior sale and advance in price, and the right is reserved to allot a less amount of bonds than applied for.

These bonds are offered for delivery, in interim form, when, as and if issued and delivered to us.

**Price: 97 and interest, yielding 4.73%**

*Orders may be telephoned or telegraphed (collect) to any of the undersigned, or may be submitted through your usual bond dealer, stock exchange broker, or through any bank in Canada.*

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**Royal Bank of Canada** **Dominion Securities Corporation, Limited**

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## *Pulp and Paper*

# HOWARD SMITH'S EARNINGS BETTER AT END OF YEAR

### Betterment is Shown in Both Income Account and Balance Sheet

**From Our Own Correspondent.**

MONTREAL.—The annual statement of the Howard Smith Paper Mills for the year ending December 31, 1925, reveals a slight increase in operating profits and also in net profits after allowing for all interest and depreciation charges. After deducting preferred dividends of $127,976 from profits, there remained a balance of $175,163, which was added to surplus.

The ratio of current assets over current liabilities stands at approximately 3 to 1 and the working capital shows a considerable betterment. During the year an appraisal was made of a portion of the company's properties; this gave a substantially greater value than was hitherto shown on the balance sheet and resulted from improvements made out of earnings in former years. The property accounts therefore have been written up to conform to the new appraisal value and the difference applied to increasing the depreciation reserve. Although this is only a bookkeeping entry, yet it gives shareholders a better picture of their property.

The chief factor which contributed to the betterment in the working capital position was the reduction in the bank loan by 50 per cent.; this is shown as $225,000 at the close of the year's business. Inventory account is more than $200,000 lower and the accounts receivable are up $100,000. The cash on hand shows a reduction from $150,857 to $98,965. Other changes in the balance sheet were of a minor character with the exception of the already mentioned bookkeeping entry.

**Profit and Loss Figures**

The profit and loss figures and the working capital figures during the past three years compare as follows:

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Op. prof. | $742,762 | $717,925 | $767,377 |
| Sund. rev. | 9,675 | 9,648 | 5,429 |
| Total inc. | $752,438 | $727,576 | $772,807 |
| Bond int. | 304,288 | 269,984 | 220,466 |
| Balance | $448,149 | $457,591 | $552,341 |
| Gen. int. | 45,010 | 59,547 | 49,494 |
| Balance | $403,139 | $398,043 | $502,847 |
| Deprec. | 100,000 | 100,000 | 60,287 |
| Net prof. | $303,139 | $298,043 | $442,560 |
| Pfd. divs. | 127,976 | 120,000 | 120,000 |
| Balance | $175,163 | $178,043 | $322,560 |
| Com. divs. | ........ | 92,342 | 221,622 |
| Surplus | $175,163 | $ 85,701 | $100,938 |
| Prev. surp. | 85,701 | ...... | 16,065 |
| Total | $260,864 | $ 85,701 | $117,003 |
| To reserves | 85,701 | ...... | 117,003 |
| Surplus | $175,163 | $ 85,701 | ....... |

**Working Capital**

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Curr. assets | $1,936,554 | $2,127,719 | $1,956,388 |
| Curr. liabs. | 628,235 | 901,678 | 1,171,307 |
| Work. cap. | 1,308,319 | 1,226,041 | 785,081 |

**The President's Remarks**

President Howard Smith's remarks to the shareholders were, in part, as follows:

"The sales for the year 1925 showed an increase over those of 1924 of $622,040. The average selling price for the year 1925 shows a decline, but owing to the improved facilities for manufacturing, your company was able to maintain an increased profit over 1924.

"Regular dividends at the rate of 8 per cent. were paid on the preferred shares, but as to the common shares, your directors deemed it advisable to maintain the policy adopted last year in order to further improve the company's liquid position. The working capital now stands at $1,308,318.

"The inventory position of the company has received careful attention. The balance sheet shows an inventory of raw material and finished product of $1,242,036 as compared with $1,456,007 at the end of 1924.

"Bookings for the product of the company for the year 1926 show considerable improvement over this period in 1925, and a further improvement in the affairs of the company can be confidently looked forward to.

"The company's export business for 1925 also shows a very considerable increase over the year 1924, and a further increase for the year 1926 is anticipated.

"The high quality of the company's products has been maintained, and a number of new grades of papers have been developed to meet particular demands.

"In every sense the company's output has met with complete approval by the trade."

## Wayagamack Pulp Co. to Add Two Machines

**From Our Own Correspondent.**

MONTREAL.—The Financial Post hears on excellent authority that the Wayagamack Pulp and Paper Company intends to increase its output of newsprint by 200 tons daily. Although no official confirmation has been obtained, yet it is thought probable that C. R. Whitehead, the president of the company, has gone abroad to arrange the details in connection with the purchase of the newsprint machines.

## International Paper Power Interests Grow

**From Our Own Correspondent.**

MONTREAL.—In the United States the International Paper Company appears to be going more and more into the power business. The company recently completed a deal with the New England Power Association whereby it will purchase from the latter $4,333,000 of stock, amounting to one-sixth of the New England Power's total capitalization. Through the community of interest, just established, it is expected that benefit will accrue both to the new England Power and to the International Paper Company, the latter by giving it an outlet for its power and the New England Power through furnishing it with a supply of hydro electric current for distribution over its system.

The International Paper Company's water power is of great value, and the company's revenues from this source will gradually increase. The present net income which the company receives from this source amounts to $500,000 a year. Naturally, the growth in this source of income cannot be definitely predicted, but it is International Paper's policy to realize upon its water power resources from time to time as market conditions afford suitable opportunity.

# PULP AND PAPER EXPORTS INCREASE

### Only Wrapping Paper Shows Decline in Amount Exported

**From Our Own Correspondent.**

MONTREAL.—The exports of pulp and paper for the month of January show a decided increase as compared with the same month in 1925. Newsprint and mechanical pulp made the most startling gains and the only product in this group, whose export trade fell off, was wrapping paper.

The figures showing the values of the exports during the past month and also during the past year follow:

| | January 1926 | January 1925 | Dec., 1925 |
|---|---|---|---|
| **Pulp** | $ | $ | $ |
| Mechan. | 977,229 | 611,041 | 1,126,211 |
| Sulphite (blchd.) | 1,239,509 | 1,070,744 | 1,139,445 |
| Sulphite (unbl.) | 1,233,606 | 1,056,041 | 1,495,541 |
| Sulphate | 796,386 | 616,463 | 864,133 |
| Total pulp | 4,246,730 | 3,354,289 | 4,625,330 |
| **Paper:** | | | |
| Newsprint | 8,372,141 | 7,363,419 | 9,779,855 |
| Wrapping | 179,999 | 226,149 | 205,616 |
| Paper board | 283,089 | 182,240 | 289,829 |
| Other | 109,926 | 143,796 | 224,406 |
| Total paper | 8,945,155 | 7,915,604 | 10,499,706 |
| Total pulp and paper | 13,191,885 | 11,269,893 | 15,125,036 |

The distribution of the reports for January, 1926, was as follows:

| To:— | Pulp | Paper | Total |
|---|---|---|---|
| U.S.A. | 3,633,854 | 8,282,402 | 11,916,256 |
| U. K. | 332,365 | 171,347 | 503,712 |
| Others | 280,511 | 491,406 | 771,917 |
| | 4,246,730 | 8,945,155 | 13,194,885 |

Exports for the twelve months which ended January 31, 1926, are compared below with the preceding twelve month period:

| | 1926 | 1925 |
|---|---|---|
| **Pulp** | | |
| Mechanical | $10,939,461 | $ 8,026,253 |
| Sulphite (blchd.) | 14,218,265 | 12,550,979 |
| Sulphite (unbl.) | 14,327,836 | 11,640,845 |
| Sulphate | 9,338,784 | 8,300,373 |
| Total pulp | $48,824,346 | $40,518,450 |
| **Paper** | | |
| Newsprint | $ 99,954,059 | $ 91,265,069 |
| Wrapping | 2,731,188 | 3,182,179 |
| Paper Board | 4,271,708 | 3,273,689 |
| All Others | 1,696,642 | 1,621,925 |
| Total paper | $107,653,597 | $ 99,342,862 |
| Total pulp and paper | $156,477,943 | $139,861,312 |

# ST. LAWRENCE PAPER FINANCES FOR MILL

### Capitalization to be Changed to Provide for Doubling of Output

MONTREAL.—Plans are being considered whereby St. Lawrence Paper Mills will change the capitalization to provide for doubling the present output of newsprint. Outstanding bonds are to be redeemed and a new issue is to be authorized, as well as ten year mortgage debentures and an additional block of common stock. Authorization will be sought for the creation of:

(a) $15,000,000 6 per cent. 20-year first mortgage gold bonds (of which $6,500,000 are now to be issued).

(b) $2,000,000 6½ per cent. 10-year mortgage debentures (all of which is now to be issued).

(c) Increasing the authorized common stock from 50,000 shares to 100,000 shares without nominal or par value (of which approximately 10,000 shares will now be issued).

**Mill Designed For Output**

The directors have advised the shareholders that it is in their interest to complete the original design of the mill, which calls for the installation of two additional machines.

The present authorized bond issues do not permit the satisfactory financing of this addition. The directors, therefore, have enacted by-laws to provide funds for that purpose, as well as the other purposes, and also to care for the future requirements. The proceeds of the sale of these securities will be used as follows:

(a) To retire the present outstanding bond issues of $2,500,000 6½ per cent. bonds, Series "A," and $850,000 6 per cent. bonds, Series "B."

(b) To defray the cost of the installation of two additional newsprint paper machines.

(c) To provide for the purchase of additional timber limits to provide an adequate supply of raw material for the next fifty years.

## SMALLER BOARD FOR SMITH PAPER

MONTREAL.—The annual meeting of shareholders of Howard Smith Paper Mills is called for March 8, and a special meeting will also be held to consider a bylaw adopted by the board which has for its purpose the reduction of the board from nine to seven members.

## LARGER OUTPUT OF W. Q. P. MILLS

MONTREAL.—The Western Quebec Paper Mills has increased its output by the addition of several new lines of onion skin and decorative papers. This necessitated the installation of new machinery at the plant. Excellent headway has been made in placing these new lines on the market which has resulted in a consequent reduction in the volume of the light weight paper formerly imported from the U. S.

## NEW PLUP MILL FOR B. C.

NEW WESTMINSTER, B. C.—It was announced here that construction will be commenced on a new pulp mill within the next two months. It will be operated by the Dominion National Consolidated Industries and will cost approximately $2,000,000. The site of the new plant will be Poplar Island.

J. Randall Black, of Edmonton, George S. Whalen and John A. Whalen, the two latter were formerly connected with the Whalen Pulp and Paper Mills, are interested in the new undertaking.

## QUEBEC'S TIMBER RENTAL REVENUE

QUEBEC.—The total revenue received by the provincial government from timber limits since 1867 is $66,122,459, of which $1,480,222 is for limits rentals and $46,002,602 for cutting rights or stumpage dues. In 1867 the revenue from this source was only $195,115, but since 1900, with the exception of two years, the yearly revenue has always exceeded the $1,000,000 mark.

## CANADA LEADS IN POWER PER CAPITA

MONTREAL.—Canada now leads the world in the generation of electric power per capita, according to the latest statistics available, having a per capita generation of 878 kw. hours. Switzerland comes next with 505 and United States third with 484. The total installation of electric power in Canada is 8,099,192,000 kw. hours, which places Canada in second position among the nations of the world in regard to power developed.

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# Public Utilities

## B.C. ELECTRIC TO CANADIANIZE ITS SHARE PROGRAM

### Will Offer $1,500,000 of Stock to Local Investors

VANCOUVER.—In line with its policy of "Canadianizing" its financial program as far as practicable, the B. C. Electric Railway Company is planning to organize a holding company and distribute $1,500,000 of stock for public subscription. This is expected to accomplish two ends—increase public interest in the company's financial affairs and thus build up goodwill and, secondly, decentralize the financial control of the company.

In the past practically all B. C. Electric stock has been held in Great Britain, but the new holding company will be a British Columbia corporation, embracing the light and power and gas properties, with officers in Vancouver and Victoria, and will be able to settle its local affairs without reference to Old Country shareholders.

The B. C. Electric Railway has for years been one of the most important public utilities corporation in Western Canada and its decision to float stock in the local market is expected to have a far-reaching effect, especially in view of the company's intention to develop the waterpower resources of the province on a big scale during the next few years. If the first $1,500,000 issue is favorably received there is little doubt but that the British Columbia public will be given the opportunity of sharing to an even greater extent in the company's ownership in the near future. In fact, the total objective of the new stock issue is said to be in the neighborhood of $5,000,000.

The refinancing will not involve any change in control or management of the organization, for voting rights will be confined to the common stock, which will not be issued to the public. It is planned to offer $500,000 on special terms to employees of the company.

One of the first steps in "Canadianizing" the B. C. Electric Railway was made a few years ago when the offices of president and vice-president were created and given to British Columbia men. George Kidd, of Vancouver, who has managed the affairs of the company ever since its organization, is the president, and A. T. Goward is vice-president, in charge of the company's operations on Vancouver Island.

## Public Utility Earnings

### SAN SALVADOR ELECTRIC LIGHT CO.

| | 1925 | 1924 | Inc. |
|---|---|---|---|
| Gross earn. | $424,179 | $372,883 | $51,296 |
| Oper. exp. | 184,448 | 165,056 | 19,392 |
| Net earn. | $239,731 | $207,827 | $31,904 |

### NORTHERN MEXICO POWER

| | 1924 | 1925 | Increase | P.C. |
|---|---|---|---|---|
| December— | | | | |
| Gross | 73,444 | 97,766 | 24,321 | 33.11 |
| Net | 55,399 | 78,927 | 23,528 | 42.47 |
| Twelve months— | | | | |
| Gross | 728,279 | 1,040,818 | 312,539 | 42.91 |
| Net | 541,716 | 810,745 | 269,029 | 49.66 |

### JAMAICA PUBLIC SERVICE CO.

| | | |
|---|---|---|
| December— | 1925 | 1924 |
| Gross earn. | $ 60,151 | $ 53,956 |
| Net earn. | 26,457 | 18,179 |
| Surp. after charges | 20,146 | 11,452 |
| 12 months— | 1925 | 1924 |
| Gross earn. | $625,275 | $579,056 |
| Net earn. | 236,114 | 186,651 |
| Surp. after charges | 156,936 | 109,653 |

### SOUTHERN CANADA POWER CO.

| | | | |
|---|---|---|---|
| January— | 1926 | 1925 | Inc. |
| Gross | $122,139 | $101,955 | $20,184 |
| Oper. exp. | 38,159 | 46,136 | *7,977 |
| Net earn. | $83,980 | $55,819 | $28,161 |
| Four months— | 1926 | 1925 | Inc. |
| Gross | $469,347 | $388,989 | $80,358 |
| Oper. exp. | 150,671 | 178,104 | *27,433 |
| Net earn. | $318,676 | $210,885 | $107,791 |

* Decrease.

### MONTEREY RAILWAY

| 3 Mos. to Sept. 30 | Gross | W'rk. Exp. x | Ch'nge |
|---|---|---|---|
| Rail. Light & Pr. | $216,953 | $232,755 | —$15,801 |
| Water. & Sewage | 64,651 | 39,195 | + 25,455 |
| Total | $281,605 | $271,950 | +$ 9,654 |
| Aggr. Earn. from 1st Jan. 1925, to 30th Sept., 1925 | $803,347 | $775,812 | +$27,535 |

xIncluding provision for renewals and obsolescence.

### WINNIPEG ELECTRIC

| Aggr. Net from 1st December— | 1924 | 1925 | Incr. |
|---|---|---|---|
| Gross earn. | $502,854 | $510,225 | $ 7,371 |
| Work. exp. | 312,377 | 312,600 | 223 |
| Net earn. | 190,477 | 197,625 | 7,148 |
| Aggr. gross from 1st Jan. to end of Dec. | 5,294,046 | 5,338,682 | 44,636 |
| Aggr. net from 1st Jan. to end of December | 1,639,311 | 1,829,322 | 190,011 |

### CANADIAN WESTERN GAS

| | 1924 | 1925 | Increase |
|---|---|---|---|
| January | $148,965 | $163,953 | +$14,988 |
| February | 104,266 | 171,679 | + 67,413 |
| March | 96,065 | 148,335 | + 52,270 |
| April | 93,811 | 91,602 | — 2,209 |
| May | 56,197 | 61,584 | + 5,387 |
| June | 46,428 | 43,159 | — 3,269 |
| July | 34,296 | 34,097 | — 199 |
| August | 33,614 | 37,068 | + 3,454 |
| September | 44,243 | 60,562 | + 16,319 |
| October | 76,052 | 117,443 | + 41,391 |
| November | 138,275 | 114,214 | + 5,939 |
| December | 182,909 | 119,965 | — 62,944 |

### B. C. ELECTRIC COMPANY

| | 1924 | 1925 | Inc. |
|---|---|---|---|
| Gross earn. | $ 997,188 | $1,068,380 | $71,192 |
| Exp. maint., etc. | 688,739 | 752,179 | 63,440 |
| Net income | $ 308,449 | $316,201 | $ 7,752 |
| Aggre. gross from July 1 to Dec. 31, 1925 | $5,530,182 | $5,993,563 | $463,381 |
| Aggre. net from July 1 to Dec. 31, 1925 | $1,599,300 | $1,738,825 | $139,525 |

## New Brunswick Telephone Had Narrow Margin of Profit

FREDERICTON. — The statement of earnings submitted to the shareholders of the New Brunswick Telephone Company showed gross revenue of $1,141,456 and operating expenses amounting to $878,918, leaving net revenue for the year ending December 31 of $262,538. A surplus of $299,325 was provided by adding the balance of $36,786 carried forward from the previous year. Dividends amounting to $237,997 were paid, together with interest on bonds amounting to $525, leaving a balance to be carried forward of $61,327.66.

Referring to the year's operations and the moderate increase in revenue produced by careful and rigid economy, the president said:

"Had it not been for the Public Utility Board's order, reducing the percentage to be set aside for depreciation from 6.13 per cent. to 5 per cent., there would have been a net deficit for the year of approximately $18,000, and, consequently, insufficient revenue for dividend purposes. You will also note the very slight increase in the reserve over last year. The fact is that the reserve—in proportion to our investment is smaller than it has been for the past twelve years, and is really smaller than it should be."

## TRAMWAYS' 6 MONTH GROSS AT $6,305,491

### Showing Compares With $12,476,566 in Preceding Full Year

**From Our Own Correspondent.**

MONTREAL.—As has been already announced, the Montreal Tramways Company has changed its fiscal year from June 30 to coincide with the calendar year. Therefore, the report of the Montreal Tramways Commission, which made its appearance this week, presents only the earnings during a six months' period.

The Montreal Tramways Commission controls the operations of the Montreal Tramways Company—the latter under its contract with the city of Montreal is allowed only a portion of the net revenues.

Gross receipts during the six months ended December 31, 1925, compare favorably with the full twelve months' period ending June 30, 1925. In the figures which follow, certain operating expenses and maintenance expenses are deducted from the gross. From the net figures thus obtained, the company is allowed to deduct charges amounting to $1,376,900. In addition, it is allowed an operating profit of $26,606, a first charge on earnings. When the Tramways Company's report makes its appearance, these two figures will be shown under the head of gross income. After the earnings applicable to the company are subtracted from the operating profits, there remains $250,000 which goes to the city in payment of six months' rental.

In the following comparison of figures it will be seen that the amount, which the company is allowed to earn for the six months' period, is $100,000 in excess of half the total for the full twelve months' period ending June, 1925. This would indicate that the revenues of the Montreal Tramways Company itself are continuing to grow.

| | Six months ended Dec. 30, '25 | Year ended June 30, '25 |
|---|---|---|
| Gross receipts | $ 6,305,491 | $12,476,566 |
| Oper. exp. | 3,052,441 | 6,323,000 |
| Oper. prop. | 26,606 | 50,684 |
| Maint. exp. | 1,599,534 | 2,577,260 |
| Total | 4,678,590 | 8,950,945 |
| Balance | 1,626,900 | 3,525,621 |
| Allowances to the company: | | |
| 6 p.c. on cap. | 1,088,588 | 2,177,177 |
| Add to cap. | 195,862 | 277,667 |
| 6 p.m. on W.C. | 1,733 | 5,707 |
| Fin. exp. | 90,715 | 181,431 |
| Total | 1,376,900 | 2,641,983 |
| xBalance | 250,000 | 883,637 |
| Payable when earned: | | |
| City rental | 250,000 | 500,000 |
| Surplus | ....... | 383,637 |

xSurplus.

Many other salient figures are given in the commission's report; among these is the fact that of an average fare of 6.26c. collected on the tramways, 4.65c. goes to pay operating expenses and taxes; this leaves but 1.61c. per fare to meet the annual rental and other charges which are payable to the city.

Since August, 1925, the Tramways Company has put into operation a large number of buses; the report says that to date these have been operated at a loss of $499.

## Earnings of Venezuela Power Higher for 1925

MONTREAL.—Venezuela Power Company, Ltd., the Canadian-owned company which owns and operates the light and power businesses of the cities of Maracaibo and Barquisimeto, Venezuela, reports increased gross and net earnings for the year ended December 31, 1925.

The figures compare as follows:

| | 1925 | 1924 |
|---|---|---|
| Gross earn. | $327,116 | $287,830 |
| Oper. exp. | 215,871 | 179,968 |
| Net earnings | $111,245 | $107,862 |

It is expected that gross earnings will show an even more marked increase, and that operating expenses will be materially reduced due to the installation of a modern steam turbine plant of 3,000 k.w. capacity with oil-fired boilers, which is now in process of installation at Maracaibo and which it is expected will be in operation by July of this year, after which the present plant will be used as an auxiliary only.

The Venezuela Power Company is one of the group of Latin-American public utilities operated under the management supervision of Montreal Engineering Company, which is the engineering affiliate of Royal Securities Corporation. The company has no funded debt, its capitalization consisting of 30,000 shares of no par value common stock.

## OTTAWA POWER SHOWS INCREASED GROSS EARNINGS

### Net Up Also; Usual Ample Amount Allowed for Depreciation

**From Our Own Correspondent.**

MONTREAL.—An increase in the gross earnings of the Ottawa Light, Heat and Power Company, is seen in the annual report for the year ending December 31, 1925; the net profits stood at $446,022 as compared with $430,222 at the close of the preceding year.

After deducting the annual ample allowance for depreciation, there remained just sufficient to meet the preferred and common dividend requirements. The material advance in gross earnings reflects a larger volume of business done by both the electric and gas divisions of the company. The increase in operating and maintenance expenses is explained by the cost of increased power and the fact that for some time during the summer months, while repairs to the diversion dams and baulkheads at the Chaudiere Falls were being effected, it was necessary to operate the company's auxiliary steam station. As an offset to this extraordinary expense, the company is now benefiting from its contracts for the supply of power from Ottawa River Power and Ottawa and Hull Power, which obviate the necessity of operating the steam standby during the winter months as heretofore.

Due to the change from combined hydro-electric and steam operation to complete hydro-electric operation which took place in the early fall of last year, operating expenses for the last three months of the year were materially lower and net earnings were materially higher than for the previous months. December is understood to have been one of the best months that the company has ever had. It is expected that gross earnings for 1926 will show the normal increase, and that operating expenses will be decidedly lower, and consequent net earnings will show a much larger percentage earned on the company's common stock.

### Working Capital Position

The balance sheet shows an increase of $238,000 in property account. Current assets are $44,000 lower, partly accounted for by a decrease in amount of investments (including bonds purchased in advance for sinking fund—against which there is a reduction of $23,800 in the amount of Ottawa Gas 6's outstanding). Current liabilities are $96,000 higher, due to increased amount of accounts and bills payable. However, the working capital position remains satisfactory, the excess of current assets being $465,381. Other balance sheet changes were of a minor character.

The profit and loss account figures of the past three years compare as follows

The profit and loss figures of the past three years compare as follows:—

| | $ | $ | $ |
|---|---|---|---|
| Gross | 1,787,183 | 1,720,841 | 1,718,403 |
| †Oper. exp. | 1,204,635 | 1,165,191 | 1,171,680 |
| | 582,548 | 555,650 | 546,723 |
| Interest | 136,526 | 125,428 | 207,000 |
| | 446,022 | 430,222 | 339,723 |
| Inc. Tax | 33,237 | 17,772 | 25,581 |
| | 412,785 | 412,450 | 314,142 |
| Dep. | 104,950 | 109,951 | 97,574 |
| | 307,835 | 302,499 | 216,568 |
| Pfd. Div. | 97,500 | 97,500 | 24,375 |
| | 210,335 | 204,999 | 192,193 |
| Com. Div. | 210,000 | 210,000 | 210,000 |
| | 335 | *5,001 | *17,807 |
| Div. Cr. | ...... | ...... | ‡4,603 |
| Balace | 335 | *5,001 | *13,204 |
| Prev. Bal. | 141,795 | 146,796 | 160,000 |
| P. & L. Bal. | 142,130 | 141,795 | 146,796 |

†Including maintenance, federal, provincial and municipal taxes (except Inc. Tax.).

*Debit.

‡Accrued on deferred stock payments.

In his report to the shareholders, President T. Ahearn says in part:

During the year the additions to our generating and distributing systems, principally in the Electric Company, were completed. The station on Holland Ave., immediately south of the lines of the Canadian National Railway, was placed in operation on the 27th April, 1925. This station has a capacity of 9,000 K.W., is similar in that respect to our Slater Street Station, and has been designed for three phase four wire 4,000 volt distribution.

Power to this Holland Avenue Station is supplied by the Ottawa River Power Company, through their Val Tetreau Sub-station, located west of the city limits of the city of Hull, over two 11,000 volt 2-phase cables, each having a capacity of approximately 9,000 K.W., conveyed on overhead towers crossing the Ottawa River above the Chaudiere Falls. This additional cable capacity provides for the future to the extent of double the present capacity of our new sub-station.

There are five circuits in operation, and two more will be added to that number within the next two months, orders having been placed for the necessary material during the month of December, 1925.

Simultaneously with the starting of operations at the new sub-station, this company concluded two contracts for the supply of electric power—one with the Ottawa River Power Company, Limited, supplying Holland Avenue sub-station, as formerly stated, and one with the Ottawa & Hull Power Company, Limited, supplying and feeding into our No. 2 power house on Mill St.

There have been encouraging gains in new business of Ottawa Electric Company, both along residental and commercial lines. The Ottawa Gas Company, while showing a small falling off in the domestic supply, has obtained a material increase among industrial customers, and a further large increase in coke output.

## Twin City Shareholders Look for Larger Dividend

Twin City Rapid Transit has been operating under the revised scale of fares since the beginning of the year, and although no results have been published as yet, it is expected that the figures will show a marked upturn in receipts. The directors of the company are scheduled to meet in Minneapolis on March 5 next, for dividend action on the preferred.

Hitherto, since the common has been on a reduced dividend basis the directors have made two declarations only a year on the junior security and there is much questioning on the part of holders of the stock as to the likelihood of an immediate reversion to the former practice of declaring dividends quarterly and, if so, whether the rate will be raised from the present 4 per cent. to 6 per cent. annual basis.

### WINDSOR HOTEL PROFITS

MONTREAL.—At the annual meeting of shareholders of the Windsor Hotel, the annual report showed a marked increase over last year's business and the result of the year's operations was found to be satisfactory. The prospect for future business was declared to be good.

The following directors and officers were elected for the current year; Donat Raymond, president; J. Alderic Raymond, vice-president and secretary-treasurer; D. B. Mulligan, managing director; L. M. Boomer, F. V. duPont, L. L. Dunham, . McNamara, Senator J. M. Wilson, L. H. Timmins, John S. Archibald.

### VENEZUELA POWER COMPANY

| | 1925 | 1924 |
|---|---|---|
| Gross earn. | $327,116 | $287,830 |
| Oper. exp. | 215,871 | 179,968 |
| Net earn. | $111,245 | $107,862 |

Satisfactory Service Guaranteed
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J. P. STEEDMAN,
Chairman of the Board
B. HAL. BROWN,
President and General Manager
HEAD OFFICE
PRUDENTIAL TRUST BLDG.,
Montreal
TORONTO OFFICE
Reford Bldg., 217 Bay St.
Branches throughout Canada and in London, Eng.

CANADA PERMANENT MORTGAGE CORPORATION

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of

TWELVE PER CENT. PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

THURSDAY, THE FIRST DAY OF APRIL

next, to Shareholders of record at the close of business on the Fifteenth day of March.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, February 17th, 1926.

Established 1855

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WEST INDIES
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Direct Collections at home and abroad
THROUGH our own offices at 900 important points in Canada and abroad, we offer business concerns a direct channel for converting their accounts into cash quickly and economically.
G527
The Royal Bank of Canada

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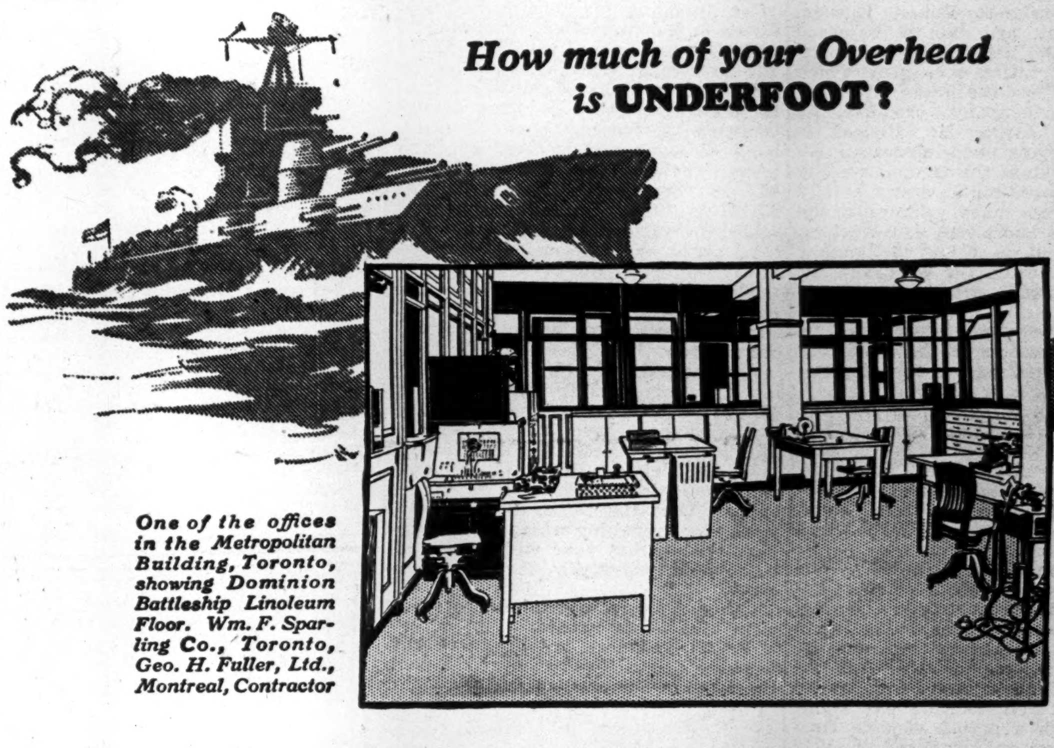

One of the offices in the Metropolitan Building, Toronto, showing Dominion Battleship Linoleum Floor. Wm. F. Sparling Co., Toronto, Geo. H. Fuller, Ltd., Montreal, Contractor

Dominion Battleship Linoleum Floors are Permanent, Sanitary, Quick to Lay

Public floors are easily chosen in Canada. Dominion Battleship Linoleum, made in Canada to suit Canadian climatic conditions, is available for every type of interior and the fact that it is installed and is giving satisfaction in leading banks, office buildings, departmental stores, schools, hospitals and public institutions in every Province, is ample proof of its popularity.

Dominion Battleship Linoleum is permanent. Its tough, resilient surface is impervious to the daily grind of heavy traffic. Its springiness takes all the jar and noise out of walking. It is smooth, non-slippery, non-absorbent, sanitary, easy to clean.

Properly laid, Dominion Battleship Linoleum becomes part of the building itself. You cannot wear it out. With it, the first cost is practically the last; an occasional waxing is all the upkeep needed.

Dominion Battleship Linoleum, AAA quality, is made in eight standard shades — brown, green, terra cotta, grey, buff, blue, black and white (used extensively for tiled floors). AA and A qualities are made in four standard shades only. Special colors for large contracts.

Dominion Battleship Linoleum is installed by all large house-furnishing and departmental stores. Write us for free samples and literature.

Dominion Oilcloth & Linoleum Co. Limited
Montreal
Makers of Sanitary Floor Coverings for over 50 years

## *Iron and Steel*

# STEEL OF CANADA STOCK RESPONDS TO GOOD REPORT

### Had Splendid Year and Prospects for 1926 Are Bright

On the favorable showing for the Steel Company of Canada, made in the annual report, there has been a new lease of investment interest and the stock, which had recently moved up to par, has since sold up as high as 106½. The manufacturing profits of $2,825,606 in 1925, compared with $2,510,826 in 1924, while the net profits were $1,818,309 and $1,524,510 for the two years, respectively. The net profits for last year, after the payment of preferred dividends, equalled 11.8 per cent. on the common stock, as compared with 9.3 per cent. in 1924 and 12.4 per cent. in 1923, or an average of 11.1 per cent. for the past three years. Following are comparative figures from the profit and loss account:

**Profit and Loss**

| | 1925 | 1924 |
|---|---|---|
| Mfg. profit | $2,825,606 | $2,510,826 |
| Interest inc. | 335,057 | 356,483 |
| Total | $3,160,663 | $2,867,310 |
| Sink. fund | 281,643 | 271,212 |
| Depreciation | 682,171 | 677,401 |
| Bond interest | 378,540 | 394,187 |
| Net profit | $1,818,309 | $1,524,510 |
| Pref. div. | 454,741 | 454,741 |
| Com. div. | 805,000 | 805,000 |
| Surplus | $558,567 | $264,768 |
| Trans. to pension | 100,000 | ...... |
| | $458,567 | $264,768 |
| Prev. balance | 8,835,015 | 8,570,247 |
| P. & L. balance | $9,293,582 | $8,835,015 |

It is anticipated that the complete statement and balance sheet when submitted to the shareholders will be even more satisfactory than indicated by the preliminary statement on earnings. The year's very gratifying results, according to Robert Hobson, the president, are due to increased volume of sales and reduction of overhead and operating economies which more than offset the lower prices realized for the company's products. As regards the future Mr. Hobson is expected to have some interesting remarks to make at the annual meeting but in the meantime he states briefly that it has been many years since the company has had as good a start on a fiscal period as it had in January of this year, while the prospects for succeeding months are quite in keeping.

The balance sheet is expected to show a continuation of the consistent improvement recorded in recent years with an increase in net working capital of approximately $1,000,000, which means that the company has upward of $13,000,000 excess of current assets over current liabilities. The company's income from investments is approaching a total equal to the bond interest which the company pays annually.

Steel of Canada is regarded as one of the barometer stocks of the Canadian market. Prosperity in the steel industry is regarded as indicating a sound basis for general business expansion. The common stock of the company, which is now being traded at a figure well over its par value, went through a period of wide fluctuation before the war and in 1912 sold between 27 and 36, while at the outbreak of war it went to 11, the lowest point in its market career. War orders brought a measure of prosperity but the directors followed a conservative dividend policy. The seven per cent. rate has been paid for seven years and has never been exceeded. The value of the assets behind the common stock is estimated at over $100 per share as the result of the policy of reinvesting surplus profits.

## ENGINEERING WORKS' PROFITS IMPROVED

### All Round Improvement Seen in Dominion Engineering's Annual Report

**From Our Own Correspondent.**

MONTREAL.—The annual report of the Dominion Engineering Works for the year ending December 31, 1925, shows a marked all round improvement over the previous exhibit. The net earnings after depreciation stood at $209,378 as compared with $56,986 at the close of 1924.

The working capital position shows a marked improvement, the excess of current assets over current liabilities having more than doubled. All significant items comprising current assets show an increase over 1924, the increase in cash alone being over $200,000. While sundry current liabilities are higher than last year, the bank loans of $51,494 have been paid off. Contingent reserve has been increased $22,000, this amount having been deducted from profits before arriving at the net figure of $343,502 shown above.

In his report to shareholders, G. H. Duggan, president of the company, says that the plant has been well occupied throughout the year, although not working to capacity in all departments. A list of the principal work executed includes 19 turbines varying from 3,000 to 58,000 h.p. for the Abitibi Power and Paper Co., the Northern Aluminum Co., Southern Canada Power, Hydro Electric Commission of Ontario, Powell River Company and the Maine and New Brunswick Electric Power Company; as well as four fast news machines for the International Paper Company, one pulp drying machine for the Riordon Pulp Corporation, two electric steam generators for Price Brothers, and two electric generators for Abitibi.

The profit and loss and working capital figures as at the close of the last two fiscal years follow:

| | 12 months 1925 | 7 months 1924 |
|---|---|---|
| xProfits | $343,502 | $115,344 |
| Deprec. | 134,124 | 58,358 |
| Net profit | $209,378 | $ 56,986 |
| Prev. bal. | 56,986 | ...... |
| Total | $266,364 | $ 56,986 |
| mAdjust | 17,267 | ...... |
| P. and L. surp. | $249,097 | $ 56,986 |

xProfits from contracts and miscellaneous earnings, after providing for contingencies.

mAdditional depreciation for seven months of 1924.

**Working Capital**

| | 1925 | 1924 |
|---|---|---|
| Curr. assets | $863,441 | $507,571 |
| Curr. liabs. | 329,037 | 278,935 |
| Net work. cap. | $534,404 | $228,636 |

## IMPROVEMENT IN EARNINGS SHOWN IN FORGINGS YEAR

### Gross and Net Materially Better — Expenses Have Been Cut

**From Our Own Correspondent.**

MONTREAL.—The annual report of the Canada Foundries and Forgings for the year ending December 31, 1925, shows a very decided improvement in both gross and net earnings. This is attributable to economies which have been effected in operations and administration and also to the larger volume of business which was secured.

Net operating profits for the year, after providing for repairs, bad debt losses and depreciation, amounted to $76,391, as compared with $42,692 for the preceding year, showing an increase of earnings of $33,699. From these earnings were deducted administration expenses, bond interest, bond discount and interest on bank loans, leaving a net income of $23,967 as compared with a deficit of $7.496 in 1924. The net income was added to surplus account, making a total profit and loss surplus of $988,519.

The working capital position of the company has been well maintained, current assets being increased $41,297 and current liabilities $27,930, making a net gain of $13,367 and bringing the net working capital up to $597,112. Inventories and accounts receivable have been increased, while bank loans have been slightly reduced.

W. M. Weir, president of the company, says in his remarks to shareholders that the better trade conditions now prevailing warrant the hope that the current year will be one of reasonable prosperity for the company.

Other changes in the balance sheet were of a minor nature.

Profit and loss account, and the working capital figures, over the past three years compare as follows:

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Op. profits | $76,364 | $42,692 | $93,318 |
| Other inc. | 27 | 10,000 | 36,339 |
| Total inc. | $76,391 | $52,692 | $129,657 |
| Deduct: | | | |
| Administ. exp. | $26,006 | $30,505 | $26,241 |
| Invent. res. | ...... | ...... | 47,515 |
| Bond int. | 13,434 | 14,829 | 12,404 |
| Other int. | 12,984 | 14,854 | 19,361 |
| Net income | $23,967 | d$7,496 | $24,136 |
| Prev. surp. | 964,552 | 972,048 | 947,912 |
| P. & L. surp. | $988,519 | $964,552 | $972,048 |

d—Deficit.

**Working Capital**

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Curr. assets | $896,212 | $855,164 | 1,020,321 |
| Curr. liab. | 299,100 | 271,169 | 468,677 |
| Net work. capital | $597,112 | $583,995 | $551,644 |

## Canadian Locomotive Buys on C.P.R. Engine Order

The announcement that the Canadian Locomotive Company received an order from the Canadian Pacific Railway for twenty locomotives of the Mikado high pressure freight type, following the arrangement with the Colorado Iron & Fuel Company by which a line of mining machinery and equipment will be manufactured, greatly improves the outlook for the Kingston company. Activities at the plant will now be greatly increased. The locomotives are to be turned out for delivery this summer, which will mean that facilities will have to be expanded as quickly as possible. It is expected that 600 or 700 men will be in the works in a short space of time.

The company has been recently working on a locomotive, which, if successful in practical tests, will probably be used as a model for other locomotives to be ordered by the Alberta government. This locomotive is especially designed for northern lines where at certain seasons of the year the snow is deep.

After opening around 72, the common shares of Canadian Locomotive dropped to a low of 35 last year. One sale has been recorded this year at that figure and the latest quotation is 36 bid.

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R. B. S. BURTON L. C. MASON E. M. MILLER E. A. DUNN
TORONTO, FEBRUARY 23rd, 1926. TELEPHONE: ELGIN 1370

## BESCO CONCEDES TO SETTLE DISPUTE

### Will Not Stand by Its Rights on Check-Off Under the Duncan Report

**From Our Own Correspondent.**

All indications are that a speedy settlement of the check off dispute will be negotiated by Besco and the U. M. W. The miners' emphatic rejection of what their own officers called a "fairly satisfactory" wage contract (as forecast by The Financial Post last week), simply because the check off was eliminated, has caused a great wave of public sentiment throughout the province, and not against the U. M. W., strange though it may seem.

Newspapers that for years and years have supported Besco through thick and thin, have for once deserted their usual ally, and advise the corporation not to subject the industry to further turmoil for the sake of what they term a minor issue.

As a result, it is expected the matter will be accommodated either by restoring the check off of union dues, or by the company giving tacit consent to some closed shop arrangement which will enable the union to deal with men refusing or neglecting to pay their assessments.

If the company had rejected the check off in principle or even stood pat on those items recommended by the Duncan report, public opinion might have been with it, but, by consenting to the check off for the churches and other organizations and letting this decision become public before the referendum, the sympathy of the people was largely thrown to the union.

## Caution Being Shown by Buyers of Iron and Steel

Considerable new business from railroads, mines, pulp and paper mills, power and metal-working plants, released the past two weeks, has greatly increased activity in the iron and steel industry. Settlement of the anthracite strike lifted some element of artificiality from the situation, followed as it was by abrupt shrinking of over-stimulated coke values.

Caution is being shown by some iron and steel buyers, says Canadian Machinery, but the general market seems to be none the less vigorous, and consumption is unimpaired. Some discussion of second quarter prices in different products is beginning. The usual expectation is that no changes of importance will be made. Lack of buoyancy in prices is a large factor in the indifference with which users of iron and steel are meeting their needs.

## Tenant Farmers Had Farms Bought Over Heads

At the annual meeting of the Sterling Trusts Corporation, Lorne Johnson, manager of the Regina branch, referred to the new demand for good western farm lands. As an illustration he pointed out that in one district in Saskatchewan fifty tenant farmers had had farms purchased over their heads which necessitated their entering the market for properties for themselves. He stated the conviction that farm land values in the Province of Saskatchewan are now on a sound basis.

## *Textiles*

# PENMANS' PROFITS SHOWED A NICE INCREASE IN 1925

### But Were Still Substantially Below Those of 1924

Holders of textile securities generally will be interested in the annual report of Penmans, Ltd., for 1925, showing profits of $618,098, compared with $570,078 in 1924 and $751,002 in 1923. The president, Sir Charles Gordon, points out that there was a substantial improvement in the volume of business done by the company in comparison with 1924, the sales amounting to $6,431,153, an increase of $1,117,047, or equal to 21 per cent.

After paying bond interest and increasing the allowance for depreciation on plants from $50,000 to $100,000, paying income taxes and writing off bad debts, net profits amounted to $363,030, compared with $351,373 in 1924 and $432,951 in 1923. Preferred dividends of 6 per cent. were paid and on the common 8 per cent. and 2 per cent. bonus as in previous years, leaving a surplus for the year of $83,470 and increasing the surplus to $1,384,757. Following are comparative figures:

**Profit and Loss**

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Profits | $ 618,098 | $ 570,078 | $ 751,002 |
| Bond int. | 100,000 | 100,000 | 100,000 |
| Deprec'n | 100,000 | 50,000 | 100,000 |
| Taxes | 30,000 | 25,000 | 50,000 |
| Machinery | ...... | 18,838 | 41,583 |
| Bad debts | 25,068 | 24,867 | 26,468 |
| Net earn. | 363,030 | 351,373 | 432,951 |
| Pref. divs. | 64,500 | 64,500 | 64,500 |
| Com. divs. | 172,048 | 172,048 | 172,048 |
| Com. bonus | 43,012 | 43,012 | 43,012 |
| Surplus | 83,470 | 71,813 | 153,391 |
| Prev. surp. | 1,301,267 | 1,229,454 | 1,076,065 |
| P. & L. bal. | 1,384,737 | 1,301,267 | 1,229,456 |

The surplus of liquid assets over liabilities has been increased during the year by $75,121, the active surplus amounting to $3.612,431. Following are comparative figures:

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Curr. assets | $3,873,952 | $3,783,131 | $3,651,778 |
| Curr. liabs. | 261,520 | 270,818 | 147,342 |
| Work. cap. | $3,612,432 | $3,512,313 | $3,504,436 |

The balance sheet shows assets of $7,613,904, compared with $7,344,444 in the previous report. In addition to the current assets of $3,873,952, of which $2,385,883, is for inventory of raw and manufactured stock, fixed assets comprising real estate, buildings, etc., are put in at $3,739,951, and goodwill, trade marks, etc., at $1.

## Dominion Textile Stock May be Valued Too High

**From Our Own Correspondent.**

MONTREAL.—There is no tangible information to account for the sudden rise in the stock of the Dominion Textile Company. Possibly the good showing made by Penman's in 1925 had something to do with the increased interest displayed in this stock.

However, one who is intimately connected with the company expressed the view to The Financial Post that, although the stock is intrinsically worth more than $100, yet at this level it would yield only 5 per cent. and there is little possibility of increased dividends during the present year. In other words, the stock will probably sell lower before it goes much over the $100 mark.

The company is, and has been, working at capacity for some months, but it is understood that the shrinkage in orders, which in the past has marked the present season of the year, is already in evidence.

## Stocks Should go Higher, is Opinion of R. B. Mellon

NEW YORK.—"From present indications I expect the business year of 1926 to be better than 1925 was throughout the country," said R. B. Mellon, president of the Mellon National Bank of Pittsburgh, before sailing on the Mauretania for a Mediterranean cruise.

"Fundamental conditions underlying business are sound and favorable.

"In my opinion the stock market has not been overbought in view of our phenomenal prosperity, and it should go higher. A few specialties in the market have apparently been overbought, but these conditions have been quickly righted by the market itself.

"As a whole, I see nothing at all to worry about regarding the business of the country. This should be a year of phenomenal prosperity."

### UNLISTED SECURITIES

| | Bid | Asked |
|---|---|---|
| Brooks Steamer (1 pf., 2 com. | 4 | 6½ |
| Can. Machinery, com. | 4 | 7 |
| Can. Machinery, pref. | 13 | 18 |
| Can. Westinghouse, com. | 157 | 165 |
| Cockshutt Plow, pref. | 54 | 57 |
| Cosgrave Brewery | 5¼ | 6 |
| Dom. Combing (1 pf., 2 com.) | 35 | .. |
| Dom. Power, pref. | 94 | 97 |
| Farmers Dairy, com. | 41 | .. |
| Farmers Dairy, pref. | 100 | 105 |
| Gunns, Ltd., pref. | 39 | 41½ |
| Godfredson Truck, com. | 24 | 26 |
| Imperial Tobacco | 5¾ | 6½ |
| King Edward Hotel, Deb. A. | 75 | 78 |
| King Edward Hotel, Deb. B. | 56 | 60 |
| K. & S. Tire, pref. | 14 | 15 |
| Loew's Toronto, com. | 25 | 32 |
| Loew's London, com. | 2½ | 3 |
| Loew's Ottawa, pref. | 10 | .. |
| Massey-Harris | 69 | 71 |
| Mount Royal Hotel, com. | 7 | 8 |
| Mount Royal Hotel, pref. | 44 | 47 |
| National Grocers, pref., 8% | 99 | 102 |
| Willard's, pref. | 69 | 72 |
| Loblaw Groceterias, com. | 57 | 60 |
| Capital Life 25% Paid | 22 | 25 |
| Continental Life 20% Paid | 33 | .. |
| Crown Life | 120 | .. |
| Empire Life | 22 | 25 |
| Excelsior Life 25% Paid | 44 | .. |
| Great West Life | 360 | .. |
| Imperial Life | 200 | .. |
| Monarch Life 10% Paid | 18 | 20 |
| Ont. Equitable | 25 | 29 |
| Re-Insurance | 12 | 15 |
| Security Life, 40% Paid | 30 | 35 |
| Sovereign Life 25% Paid | 23 | 27 |
| Toronto Finance, pref. | 5 | 6 |
| Trusts & Guarantee | 75 | 78 |

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*Business Economist*
705 Federal Building, Toronto, Adelaide 8031

**The Bell Telephone Company of Canada**

**COMPARATIVE INCOME STATEMENT**
**FOR THE YEARS 1924 AND 1925**

| | 1925 | 1924 | Increase |
|---|---|---|---|
| Telephone Operating Revenues | $26,168,977.42 | $24,208,411.08 | $1,960,566.34 |
| Telephone Operating Expenses | 20,271,030.75 | 18,671,614.51 | 1,599,416.24 |
| Net Telephone Operating Revenues | $ 5,897,946.67 | $ 5,536,796.57 | $ 361,150.10 |
| Deductions: | | | |
| Uncollectible Operating Revenues | $ 114,686.37 | $ 108,656.71 | $ 6,029.66 |
| Taxes Assignable to Operations | 1,091,056.00 | 1,032,482.00 | 58,574.00 |
| Total Deductions from Operating Revenues | $ 1,205,742.37 | $ 1,141,138.71 | $ 64,603.66 |
| Operating Income | $ 4,692,204.30 | $ 4,395,657.86 | $ 296,546.44 |
| Net Non-Operating Revenues | 787,903.61 | 719,481.73 | 68,421.88 |
| Total Gross Income | $ 5,480,107.91 | $5,115,139.59 | $ 364,968.32 |
| Deductions: | | | |
| Rent and Miscellaneous | $ 114,088.99 | $ 95,188.68 | $ 18,900.31 |
| Bond and other Interest | 1,485,565.04 | 1,252,854.07 | 232,710.97 |
| Total Deductions from Gross Income | $ 1,599,654.03 | $ 1,348,042.75 | $ 251,611.28 |
| Balance Net Income | $ 3,880,453.88 | $ 3,767,096.84 | $ 113,357.04 |
| Deduct Dividends | 3,889,166.20 | 3,215,039.39 | 674,126.81 |
| Balance for Corporate Surplus | $ *8,712.32 | $ 552,057.45 | $ ‡560,769.77 |

*Deficit. ‡Decrease.

**BALANCE SHEET—DECEMBER 31, 1925**

**ASSETS**

| | | |
|---|---|---|
| Fixed Capital (Including Construction Work in Progress): | | |
| Intangible Capital | $ 76,811.20 | |
| Land and Buildings | 9,233,935.54 | |
| Telephone Plant and Equipment | 92,351,177.66 | |
| General Equipment | 1,631,235.80 | |
| | | $103,293,160.20 |
| Investment Securities | | 2,836,997.45 |
| Total Permanent and Long Term Investments | | $106,130,157.65 |
| Working Assets: | | |
| Cash and Deposits | $ 458,827.25 | |
| Marketable Securities (Dom. Govt. Bonds) | 1,679,963.20 | |
| Bills Receivable | 1,523,560.38 | |
| Accounts Receivable | 1,110,579.07 | |
| Materials and Supplies | 1,364,571.28 | |
| | | 6,137,501.18 |
| Accrued Income not Due | | 25,516.49 |
| Deferred Debit Items: | | |
| Prepayments | $ 161,257.29 | |
| Unamortized Debt Discount and Expense | 1,419,969.14 | |
| Plant Inventory and Appraisal (Unapportioned) | 346,468.17 | |
| Other Deferred Debit Items | 67,899.75 | |
| | | 1,995,594.35 |
| Total Assets | | $114,288,769.67 |

**LIABILITIES**

| | | |
|---|---|---|
| Capital Stock: | | |
| Common Stock | | $ 48,694,600.00 |
| Bonds—1955—5% Series "A" | | 30,000,000.00 |
| Working Liabilities: | | |
| Accounts Payable | | 1,807,173.70 |
| Accrued Liabilities not Due | | 1,710,773.90 |
| Employees' Stock Plan—Stock Instalments | | 1,089,216.73 |
| Deferred Credit Items: | | |
| Liability for Employees' Benefit Fund | $ 847,229.37 | |
| Other Deferred Credit Items | 4,144.07 | |
| | | 851,373.44 |
| Reserve for Accrued Depreciation | | 23,295,998.96 |
| Reserve for Amortization of Intangible Capital | | 32,720.27 |
| Premiums on Capital Stock | | 1,840,547.97 |
| Corporate Surplus | | 4,966,364.70 |
| Total Liabilities | | $114,288,769.67 |

# DENIAL IS GIVEN MERGER STORY OF CANADA STEAMERS

## But Report is Reiterated and Much Interest is Aroused

From Our Own Correspondent.

MONTREAL.—The situation with regard to the mooted merger between the Canada Steamship Lines and the Great Lakes Transportation Company is decidedly involved. Interest in "Steamers" received a decided impetus at the beginning of the week when Financial Service published a bulletin definitely stating that a merger between the Playfair interests and the Canada Steamship Lines had been arranged.

Following the publication of this article, T. R. Enderby, general manager of Canada Steamship Lines, was authorized to issue an emphatic denial of the report that a merger had been consummated between his company and the Great Lakes Navigation Company or other interests. President Coverdale, in a statement made at New York, Tuesday night, denied the truth of the story in even more emphatic terms than he had previously in the day through General Manager Enderby, here.

Should the merger outlined go through "Steamers" would acquire 11 freighters, an elevator, a coal dock and floating elevator at Midland, Ontario, and a twelfth vessel now under construction from the Great Lakes Transportation Company, which is controlled by the James Playfair interests. These assets could be turned over for a sum slightly under $6,000,000.

Closely connected with the Playfair Company is the George Hall Coal and Shipping Company. If the merger comes about, it is thought likely that this concern would be included in the deal and that the Canada Steamship Lines would acquire for approximately $2,000,000 a block of $1,500,000 of common stock in the George Hall Coal and Shipping Company representing the control of that corporation now held by the Great Lakes Transportation Company.

A merger would eliminate uneconomic competition amongst Canadian freight carriers on the Great Lakes, save for the Matthews Steamship Company, which operates about 20 vessels.

The George Hall Coal deal would involve some 39 boats, all of canal size and, in addition, possibly some coal docks and concessions at St. Lawrence ports, and also a pulp and paper mill at Ogdensburg, N. Y. Such a consolidation would operate approximately 90 vessels on the Great Lakes.

It has been pretty generally felt that some reconstruction or re-organization of the Canada Steamship Lines, capital structure was pending, for it is now some $3,500,000 in arrears on its $12,500,000 of cumulative preferred stock outstanding. In 1922 and 1923 the company showed a large deficit after certain write-offs; in 1924 the surplus was insignificant and the write-offs were smaller than in preceding years.

### Investments Not Included

It has been said that the investments of the Playfair lines are not included in any deal. To provide for new financing sufficient to allow "Steamers" to purchase the competitive lines, there has been talk of a new bond issue which would replace the existing issues and furnish at least an additional $10,000,000 in new money. It has been said, also, that a prominent New York investment house has already underwritten the bonds.

It can be readily seen that before such a deal can be consummated, it would involve an enormous amount of work in looking into the assets of the companies about to be acquired and, in addition, the plans would also embrace an entirely new line-up in the capital structure of the Canada Steamship Lines. The completion of the necessary investigations would naturally take time.

In view of the official denial of the merger, it is impossible to say exactly what are the present relation between "Steamers" and the other lines, but the fact remains that it is pretty generally accepted here that "Steamers" and the Playfair interests are working along lines leading, either to a merger, or to a more satisfactory working arrangement.

# Big Increase in Output of the General Motors

The General Motors Corporation has just made its annual report for 1925, which shows net earnings amounting to $116,016,277. After paying the regular quarterly dividends on preferred and debenture stocks, requiring $7,639,991, there remained $108,376,286, equal to $21 per share of common stock, a new high record for the corporation. Regular quarterly dividends of $1.50 per share at the rate of $6 per annum paid on the common required $30,967,516. In addition, extra dividends were declared totalling $6 per share and aggregating $30,967,705. There results a total declaration of common dividends for the year of $12 per share, or $61,935,221. During the year there were manufactured and sold at retail to consumers in the United States and other countries, through the corporation's own branches, distributors and dealer organizations a total of 827,056 cars, exceeding all previous records by 95,775 cars and representing an increase of 13.10 per cent. Sales amounted to $734,592,592.

## B. C. FISHERIES BOOMING

VANCOUVER.—Indications are that there will not be an idle cannery in the northern district of British Columbia this year and that a number of new canneries will be erected. In addition to those mentioned recently to be built at Queen Charlotte Island, the erection of new canneries or re-opening or extension of existing ones, is planned at Captain's Cove, Prince Rupert, Mill Bay, Somerville, and at the Kumeon cannery on the Bass River.

# Sugar Refineries Still Maintain Large Output

From Our Own Correspondent.

MONTREAL.—During the past year, the reports showing the amount of sugar refined in this country have shown gratifying increases as compared with the preceding year. In the first four weeks' period of the year 1926, which ended January 30, this increase continued, and 57,880,365 pounds were manufactured, as compared with 55,541,797 pounds in the first four-week period of 1925.

While the imports of raw sugar for the month of January were only fractionally below the imports of January last year, it is gratifying also to see that there was a decided drop in the value of these imports which would indicate that Canadian refineries are still able to compete very successfully in foreign markets. This is borne out in the export figures of the month of January of 15,706,700 pounds, as compared with only 197,400 pounds in January, 1925.

# "Steamers" Heads and Financial Service Disagree

From Our Own Correspondent.

MONTREAL.—The official denials of the "Steamers" merger apparently received but scant credence at the hands of Financial Service, which immediately published the following article:

### "STEAMSHIPS" DENIALS GIVE WRONG IMPRESSION

The local press have feature headlines denying any "Steamships" merger and criticising, in no uncertain language, Financial Service's exclusive statement of the deal which was arranged in Cleveland over the week-end between representatives of Canada Steamship Lines and of Great Lakes Transportation Company and Geo. Hall Coal Company.

In our opinion, these articles and so-called "denials" are most misleading to the average reader, draw a red herring across the trail and throw dust in the eyes of the sorely tried shareholders of Canada Steamship Lines—a group of men and women who, if anybody does, deserve the utmost frankness, and fullest information from the executive heads of the company, yet we read in the press, "that the question of the merger had never been brought up before the directors"—truly the secrecy with which the interests of shareholders are juggled about is past all understanding.

The essential points of our statement are accurate and have not been denied—in fact have been partially substantiated by a New York director, who is quoted as saying that the statement was "unauthorized and premature."

We, or the "Street," are not interested in all the necessary details required to complete the transaction. What is essential, is to know that arrangements are in process of completion.

# TARIFF BOARD MUST BE IMPARTIAL, PERMANENT, NON-POLITICAL

(Continued from page 3)

flexible tariff provisions. The clauses were inserted because it was evident that complete tariff stability is a dream. Yet these provisions do not increase tinkering with the tariff. They rationalize it. Instead of subjecting business to the unsettlement of a general revision, more often than not decided by the lobbying of sectional groups, they assure legitimate business a continuance of adequate protection if such protection is not inconsistent with public welfare. They also assure the general public that uneconomic business with its attendant extortion will not be maintained.

Secondly, in addition to the fact that the method of changing the tariff imposed by these clauses is unsuited to Canada, there is the further conclusion that determination of tariff rates by rigid application of equalizing foreign and domestic costs of production is not feasible. So far as the writer is able to judge after intensive study of the methods of the commission as well as discussion with tariff authorities here, exact costs of production are not a sufficient guide.

In the Tariff Act of 1922 it is provided that in ascertaining foreign and domestic costs of production the following factors shall be considered: "(1) the differences in conditions in production, including wages, costs of materials, and other items in costs of production of such or similar articles in the United States and in competing foreign countries; (2) the difference in the wholesale selling prices of domestic and foreign articles in the principal markets of the United States; (3) advantages granted to a foreign producer by a foreign government or by a person, partnership, corporation, or association in a foreign country; and (4) any other advantages or disadvantages in competition."

All of these factors and others not mentioned are important in determining tariff rates, but the commission has considered them as supplementary to the primary function of securing exact cost differences. In reality, they are vital when the status of a particular industry, general welfare and public finance must all be considered. To ascertain that the cost of production of wheat is $1.11 a bushel in the United States compared with 64 cents in Canada and then to equalize the costs by a tariff duty does not seem to be comprehensive. Such mechanics and mathematics are not sufficient; a large measure of common sense and judgment must be added.

Finally, it would be a mistake to assume that absolutely scientific flexibility can or should be introduced into every tariff item. Changes should be as infrequent as possible but as frequent as glaring imperfections are revealed.

# No Duty on Leather Boots Going Into U.S.A., But Canada Cannot Capture the Market

From Our Own Correspondent.

MONTREAL.—It is somewhat surprising that the United States, with its tariff as high as the Chinese wall, permits boots and shoes, one of the principle commodities, to enter the United States duty free. This is contrary to all tradition across the line.

Some Canadian producers have been able to take advantage of this situation to sell their product in American markets but, in the main, it has been in only isolated cases, where a distinctive type of footwear is being sold.

Canadian boot and shoe factories are over-built and have a surplus production. They have, too, cheap labor, especially in Quebec. Why then, can they not compete in the United States market?

### Some of the Reasons

Boots and shoes of leather enter the United States duty free; there are several reasons, however, why the Canadian manufacturer has made but little headway in this market. Some of these are possibly more psychological than actual, but on the other hand the difficulties are there and require surmounting.

Although boots and shoes are free, there are an extraordinary number of requirements and regulations of the U. S. Department of Customs which must be met and complied with. This does not at first sight appear to be much af a handicap to the export of boots and shoes from Canada, but one example will possibly suffice to indicate the way in which Canadian exporters are hampered.

Some time ago the Canadian manufacturers of hockey boots began shipping to the United States. There was an immediate outcry by the U. S. manufacturers, who promptly went to Washington and demanded that these boots be included under sporting goods which are dutiable at 35 per cent. in the United States. Pending an investigation at Washington, some of the shipments of hockey boots in the United States were held up at the border. Naturally, for the future those dealers who purchase Canadian made hockey boots will hesitate before placing an order again next year. This incident will indicate one difficulty which Canadian boot and shoe manufacturers have met in endeavoring to sell goods in the States.

Again, the boots and shoes merchants in the United States fully realize the general attitude of congress toward the importation of manufactured goods and consequently they hesitate to place orders in Canada for delivery of boots and shoes in advance of their actual requirements. The United States merchants feel that a tariff might be put on any day and they know too that congress doesn't hesitate to act quickly in such matters, once it is brought to its attention.

### Do Not Want to Invest Much

Again, Canadian boots and shoes manufacturers do not feel justified in investing money in the United States either by way of advertising or maintaining a sales force there when they know full well that the United States would place a duty on boots and shoes in a minute, should imports of Canadian boots and shoes become any real factor in their trade.

Again, it is to be remembered that in the United States the boot and shoe companies could manufacture in seven months the nation's requirements for a full year. In other words, like Canada, the industry is over extended there. This makes for the keenest kind of competition amongst manufacturers in the States.

Undoubtedly, in isolated cases many Canadian boots and shoes manufacturers compete in the States, but the total exported from this country to the United States is not large.

However, probably the real reason why Canadian boot and shoe manufacturers do not do a bigger business in the United States is simply and solely because they are unable to manufacture boots and shoes at the same price as the American firms. Although Canadian manufacturers—especially those in Quebec, have the advantage of cheap power and cheap labor, they are handicapped in other ways. Firstly through the tremendous load of taxation and secondly, to sell in the States they must compete with manufacturers whose methods of mass production have cut costs to a minimum—this latter has been augmented by the over-expansion of the industry in the States.

No Canadian manufacturer is going to turn his factory over to manufacturing one line to ship to the States, for he knows that if he should successfully get a footing in that market the United States manufacturers would immediately rush to congress and would have little difficulty in forcing through protective measures for their industry. In other words then, it seems as if Canadian manufacturers are not doing their utmost to capture the U. S. market because they believe—and they ought to know — that any outlay which would be made in order to obtain this wider market would immediately be offset by the policy of the States, i.e., that just as soon as foreign made articles compete with domestic production, up goes the tariff.

## MONTREAL FINANCE EXPANDS

MONTREAL.—At the annual meeting of the Montreal Finance Corporation, E. R. Decary, the president, pointed out that practically all the funds of the company were invested, and that the safety of these investments may be judged by the fact that the company has not lost a single dollar on any investment since beginning business, and has had no serious difficulties with any mortgages held. Equities in improved properties securing mortgages and balances of sale held total amount three times the amount of the invested capital, and, as all payments are up to date, no losses or difficulties are expected.

Total assets increased from $679,083 in 1924, to $949,021 in 1925; mortgages, etc., from $491,536 to $692,002; surplus from $45,964 to $67,235; earnings from $44,637 to $67,361.

The value of equities in improved properties securing mortgages and balances held by the company, December 31, 1925, was $1,870,227.

DUNCANSON, WHITE & CO.
*Members Toronto Stock Exchange*
DEALERS IN STOCKS AND BONDS.

ANNOUNCE THE REMOVAL OF THEIR OFFICES TO LARGER AND MORE CONVENIENT QUARTERS, LOCATED ON THE GROUND FLOOR OF THE DOMINION BANK BLDG., AT THE CORNER OF YONGE AND MELINDA STREETS, TORONTO.

—PHONE ELGIN 2457—

FEB. 27, 1926.

*NEW ISSUE.*

$510,000

Bloor-St. George Realty, Limited

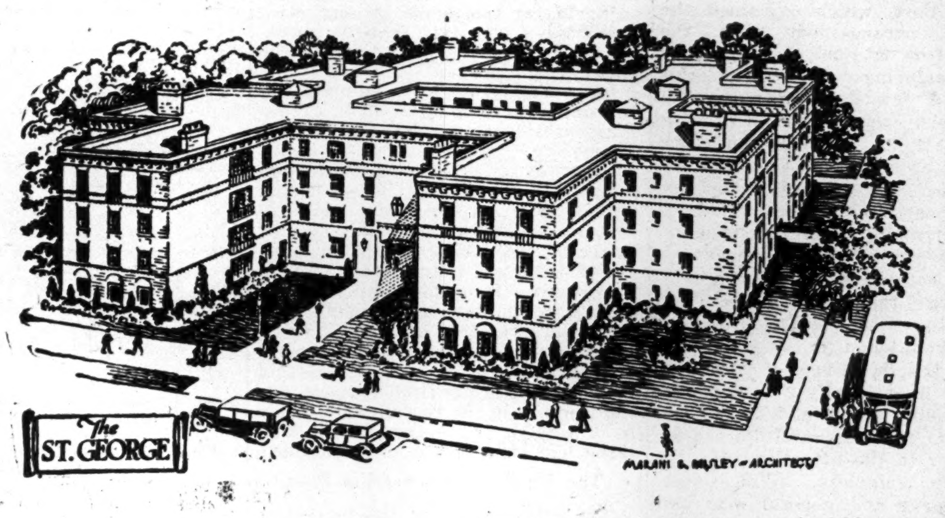
"The St. George"

7% First (Closed) Mortgage 20-Year Sinking Fund Gold Bonds

Dated February 15th, 1926, maturing February 15th, 1946. Principal and semi-annual interest (February 15th and August 15th) payable in Canadian Gold Coin at the Dominion Bank, Toronto, Montreal, Ottawa, Hamilton and London, Ontario, at the holder's option. Coupon bonds in denominations of $1,000, $500 and $100 with privilege of registration as to principal. Redeemable in whole or in part on any interest date on 30 days' notice at 105 and interest up to February 15th, 1931, and thereafter at a price reduced by ½ of 1% for each year, but in no case lower than 101 and interest.

Trustee: Chartered Trust & Executor Company, Toronto

Legal opinion: E. G. Long, Esq., K.C.



*Descriptive circular, copies of which will be forwarded on request, contains a letter from Mr. Wm. B. McPherson, President of the Company, from which the following is summarized:*

These Bonds are secured by a first (closed) mortgage on a block of land 198 feet square at the southeast corner of Bloor and St. George Streets, Toronto, and the modern high-class apartment house to be erected thereon.

VALUATION

Land (valued by W. N. Lonsdale, Toronto, and Messrs. Gibson Bros., Realtors, Toronto) .... $100,000
Building (valued by John V. Gray Construction Co., Ltd., Toronto) .......... 763,150
Making a total of ... $863,150

Amount of first mortgage—$510,000, approximately 59% of independent experts' valuation.

The building, which will be known as "The St. George," will contain 300 rooms divided into approximately 79 suites of from one to six rooms each. The Architects are Messrs. Marani & Paisley, Toronto, and the contractors are the Carswell Construction Company, Limited. Great care has been taken that the design and finish will be of the highest class of residential apartment buildings with large and well-lighted rooms. Four automatic elevators, the most modern electric stoves and refrigerators, and other household labor-saving equipment will be installed.

A realtor's survey shows that nearly all the best apartment houses in Toronto have no vacancies now, and that in 25 of the leading apartment houses, containing 657 suites, only 5½ per cent. of the suites are vacant. This would indicate that "The St. George" will be completely filled shortly after it is opened.

The management of the building will be in the hands of Messrs. Gibson Bros., one of Toronto's largest realtors, who have had wide experience in the handling of apartment and office buildings. The engineers employed by the firm are experts on management costs, and a high standard of efficiency will be maintained at a minimum operating cost. Based on the rentals being received for the better class apartment houses in Toronto, Messrs. Gibson Bros. estimate that the revenue of "The St. George" for the first full year of operation, after allowing 10% for vacancies, will be:

| | |
|---|---|
| Gross Revenue | $96,854.00 |
| Operating Expenses and Taxes | 25,000.00 |
| Net Revenue Available for Annual Bond Interest | $71,854.00 |

The estimated net revenue is, therefore, in excess of twice annual bond interest.

Completion of the building, in accordance with the plans and specifications, by the 1st of September, 1926, free from all liens, is guaranteed by a surety bond with the General Accident Assurance Company of Canada.

The location of the building is in the centre of one of Toronto's oldest and most desirable residential districts, within reasonable walking distance of the principal uptown shopping and downtown business sections of the city, and is well served by both bus and street car transportation.

We offer these bonds for delivery if, as and when issued and received by us and subject to approval of our counsel on all proceedings at

100 and accrued interest, to yield 7%.

Gairdner & Co., Limited
312 Bay Street, Toronto.

Stewart, Scully Co., Limited
Royal Bank Building, Toronto.

The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities

# THE FINANCIAL POST

**Member Audit Bureau of Circulations.**
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Vice-President—HORACE T. HUNTER.
Manager—GORDON RUTLEDGE
Editorial Director—F. S. CHALMERS
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**THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.**

TORONTO, FEBRUARY 26, 1926

## The Financial Post's Platform for Canada

*Promote national unity.*
*Reduce taxation; curtail public waste.*
*Conserve Canadian resources for Canadians.*
*Develop production and manufacturing to the highest point in Canada.*
*Settle our vacant lands.*
*Encourage individual initiative.*
*Induce and protect investment of capital in Canada.*

## THE TELEPHONE RATE CASE

IN VIEW of the inquiry now being conducted in connection with the Bell Telephone Company's rate application, the annual report of the company has more than usual significance. It is interesting and important that the report, while it shows an increase of nearly $2,000,000 in gross revenues, shows also that this increase did not keep pace with the larger requirements for bond interest and dividends made necessary by the capitalization of new services to meet increasing public demands, and for the first time in years a deficit was shown. The debit balance is a small one but nevertheless it seems to bear out the contention of the company that higher rates are justified if it is to continue to take care of the telephone needs of the community in an efficient way.

Business demands adequate telephone service at a fair price—but we believe that the service is perhaps even more important than the price. During recent years the expansion in telephone facilities has been nothing short of astonishing and that the Bell Company has met the extraordinary demand as well as it has speaks volumes for the foresight of the management in laying its expansion plans.

The Bell Company has rendered good service; it has been worthy of its hire. Canadian business is in no position to take on added charges for telephone service or for anything else where such extra charges can be avoided. But between starving this big public service corporation into a state of inefficiency or hampering its plans for necessary expansion and a small increase in rates to insure a high class service we feel that there would be little hesitancy on the part of the average business man or the average telephone user in making his choice.

## A TARIFF TO SECURE CANADA

THE Saskatoon Star objects to a recent news item in The Financial Post which suggested that Canada should not appoint representatives of various political and social factions to the proposed tariff board. It observes that "the board The Post would really like to see appointed would be a body of politicians with power to invent fairy tales for the spoofing of the public."

Not at all. The Financial Post wishes that the political spoofing and tariff distractions, which have been going on these many years, could be allayed. It recognizes, as a practical matter, that a tariff, properly devised, has a justifiable place in our national programme, and that its immediate replacement by a system of free trade is an impossibility.

A tariff, thoughtfully formulated, is in the national interest. It should not be the plaything of special interests, whether they be agricultural or industrial. The Post has no delusions about the tariff, but the predominant voice of the country is for a tariff which will serve the public interest by permitting our established industries to meet competition from abroad effectively. Nothing more—for the old days of special privilege are past. In return for the tariff our industries will increasingly employ Canadian labor, resources, capital, transportation and all those hundred and one factors which lead to balanced and prosperous economic life.

Because it believes that the virtues of a tariff, so conceived, commend themselves to all public-spirited Canadians, The Post has consistently advocated a tariff board. The board it has in mind will neither jack up nor cut asunder the tariff in a broad, senseless sweep. It will examine the schedules of the tariff and suggest such changes as are dictated by a wide variety of considerations involving the public interest, industrial prosperity, national finance and international trade relations.

We believe that it would be unwise to perpetuate in such a board the sectional and partisan views which have held sway in the past. We have enough faith in general common sense to believe that a tariff board, constituted to pursue its work in a spirit of scientific inquiry, can and will iron out any inequalities which to-day exist for the general public or the industrial establishments of this country.

Parliament should review the suggestions of the tariff board in the same spirit. It may not do so, but it is entirely conceivable that, with facts and figures before them, the members will be able to judge more clearly the results of their votes. They will neither initiate uneconomic production within the country nor proceed to wreck established industries in accordance with the vague phantoms of either protection or free trade philosophies.

In common with the Saskatoon Star we know that powerful sectional and political influences will be brought to bear on the board. This is exactly our reason for suggesting an impartial commission of thoughtful citizens and not the representatives of class consciousness. We are not unaware of the trials of the United States tariff commission, and we recognize that there are features of the American experiment which are not applicable to Canada. There are also inherent dangers in the plan and there are possibilities of disagreements.

With all these difficulties in mind, however, we believe the appointment of a properly constituted tariff board would be a notable advance. If the United States could find such men as Dr. F. W. Taussig and Dr. Thomas Walker Page, both theoretical free traders and eminent economists, who would look at the tariff as a reality without yielding to pressure from groups and parties, surely there are men in Canada who can do the same.

## STRANGE INDEED

THE announcement of the important decision of the Kingston Locomotive Company to enter the mining equipment field as a manufacturer of machinery, was first made in The Financial Post, which explained the company's arrangement with the Colorado Iron & Fuel Co. in regard to manufacturing rights for this country. A few days later the Toronto Globe came out with the statement that: "A Kingston firm has an order from Colorado for locomotives." To this was added the following caustic comment: "This is a strange condition for this country, which, we are told, buys everything and sells nothing in manufactures."

Believing that the Globe had jumbled the facts, either with that lack of knowledge it so often displays in the handling of business news, or intentionally for the purpose of taking a slap at industry and protection, The Financial Post drew the matter to the attention of the locomotive company. Wm. Casey, vice-president and general manager, replies that: "We have no knowledge of any such order."

## EDITORIAL NOTES

LUMBERING operations in the Maritime woods this winter are being handicapped because of the unusually heavy snowfall. Successful lumbering operations require snow—but not too much snow. The operators frequently find that it is either a feast or a famine in this respect.

* * *

THE argument is being advanced that the trouble with the Canadian boot and shoe trade is not the British preferential tariff but the fact that there are two many boot and shoe factories in Canada. But the question arises, would there be too many boot and shoe factories in Canada if these factories were able to secure the business now going to British manufacturers because of the preference?

* * *

SOME good work has been done in Canada in educating the people to get out and vote, but, according to the statement made by Sir James Elder, before the Toronto Canadian Club, Australia's plan of making anyone failing to exercise his (or her) franchise an offence subject to fine, is much more effective. At the last federal election in Australia the vote polled was over 90 per cent., whereas the preceding vote, prior to the passage of the enforcement act, was less than 60 per cent. Any law which will increase the vote polled by more than 50 per cent. certainly has its points.

THE NEW INDUSTRIAL OWNERSHIP — Article 2

# Employee Shareholders Are Guard Against Radicalism

## Workers With a Stake in the Company in Which They Work and the Community in Which They Live Not Susceptible to Propaganda

## OUTLINE OF PLAN OF BELL TELEPHONE CO.

By J. W. Tyson

This is the second of a series of articles dealing with the new industrial ownership and particularly with the relations between industrial and utility companies and their workers and customers. The employee ownership plan as adopted by some of the big concerns may be impractical for those employing a comparatively small number. Pensions, insurance or other welfare plans may be found to be more suitable. Or it may be that the pay envelope is the satisfactory answer. But no matter what the attitude of the employer may be as the result of his experience he cannot afford to ignore developments directly bearing on the labor market in which he is a competitor.

IN AN address delivered before the Rotary Club of Yonkers in November last, Arthur Williams, vice-president—commercial relations—the New York Edison Company (note the importance of commercial relations in this company) used as his title: Every Worker a Capitalist. He referred to the ideal that there should be equality of opportunity for all and quoted the Coolidge speech to the American Legion, wherein the president said: Whether our forefathers came over in the Mayflower or in the steerage we are all in the same boat now.

It is this realization that every worker is a potential capitalist that is the basis for the latest phase in the revolution of industrial ownership which has been taking place since the average industry was represented by a manufacturer who ran his own plant and lived next door. Some of the big American industrial and utility corporations have adopted the ideas of selling stock to their employees on a pretty wide scale and their experiences have geen generally satisfactory. Canadian companies have been watching the results. Some Canadian companies have not been far behind the American corporations in adopting the worker ownership idea and other methods of improving their relations with their employees with increased efficiency as the result of special benefits and welfare plans.

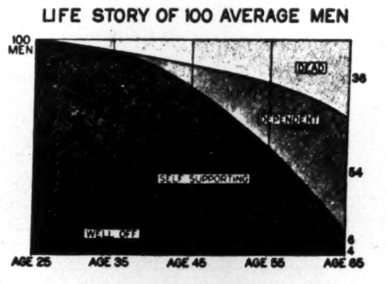
### Defeating Radicalism

In this acquisition of wealth and property on the part of the workers, economists see the devolpment of a movement which is successfully holding the balance against radicalism. The fact that the professional labor leaders are opposed to employee ownership is perhaps the best evidence of this. Both society and industry are coming to realize that the well-housed, well-clothed, sufficiently nourished and reasonably contented human being, having good health, is an invaluable asset to the community. There is little chance of the worker turning "red" if he owns something tangible, with an ever present prospect and incentive to get more. The worker who has nothing to lose is easily led to think that he has everything to gain by radical change, and he is thus open to new and frequently destructive theories. If then, the employer can encourage thrift on the part of the worker he is making for a better workman and a more solid member of the community. There is an increasingly wide acceptance of the principle that non-paternal plans in which workers and employers co-operate have their mutual benefits and gratifying results for all concerned, including the public. A contented, well trained employee force is an asset to capital and to labor and to the entire community.

In a recently published volume, "Industrial Ownership," Robert S. Brookings, president of the Washington University Corporation, St. Louis, who writes as a retired manufacturer of many years' practical experience rather than an economist, declares that in dealing with the problem of increased production we must not forget that the will to produce is of vital importance. It is not simply by adjusting hours, days and wages that a workman's efforts are called forth. Large scale production is a co-operative process and it is essential that management in the first instance, and the workers in the second, shall bring to it a spirit of co-operation, if anything like efficiency is to be obtained.

### The Employee Ownership Plan

The working out of the employee-shareholder idea is exemplified in the case of the Bell Telephone Company, which adopted the plan in 1920 as an opportunity for the development of thrift. Over 3,500 employees have taken advantage of this opportunity and now share in the ownership and the profits of the company. The Bell plan offers to any employee who has served six months with the company an investment for as little as $3.00 a month with interest on the money while it is being saved. This sum deducted from the salary for a few months, finances the purchase of a share of stock in the company which brings in 7 per cent. per annum payable quarterly. The following regulations from a pamphlet issued by the Bell Company have a general bearing on the distribution of shares to employees



The total subscription upon which any employee is paying at any one time shall not exceed a number of shares equal to one share of stock for each $300, or fraction thereof, of his then annual rate of pay, nor shall any employee subscribe for more than fifty shares in any one year. Any employee may subscribe for less than the maximum number of shares to which he is entitled.

### Deductions $3 Monthly

The subscription payments for the stock will be made by deductions from the employee's wages at the rate of $3 per share per month, such deductions to begin in July, 1922, for subscriptions during May, 1922. For subscriptions made in subsequent months the deductions from employee's wages will begin in the second month following that in which subscription was made.

Interest at the rate of 7 per cent. per annum, compounded quarterly, will be allowed and credit to the employee's account on all amounts deducted from employee's wages from the dates of the respective credits until the date when dividends will begin to accrue upon the stock when issued after the subscription is fully paid.

Stock subscribed for under this plan does not participate in any rights to subscribe for new stock issued by the company and offered to all shareholders, until payments are made in full and a certificate issued thereof.

Until stock is fully paid for, no employee shall pledge or in any manner alienate his rights under any subscription agreement under this plan. A violation of this provision shall constitute a withdrawal by the employee from such subscription agreement and the only right of the employee or his assignee shall be to have the company pay to the employee, or to the person entitled, the total amount withheld from his wages on account of the purchase price of the stock in question, together with interest thereon at 4 per cent. per annum, compounded quarterly, and such payment shall operate as a cancellation and satisfaction of all rights under the subscription agreement involved.

### In Case of Death or Resignation

In case an employee's service terminates by death before his stock is fully paid for, his subscription agreement or agreements will be cancelled and his estate will be entitled to receive the net amount accumulated on his subscription as a result of deductions from wages with interest at 7 per cent. per annum, compounded quarterly.

In case an employee's services terminates for any cause other than by death before his stock is fully paid for, his subscription agreement or agreements will be cancelled and he will be entitled to receive the total amount withheld from his wages, with interest thereon at 6 per cent. per annum, compounded quarterly.

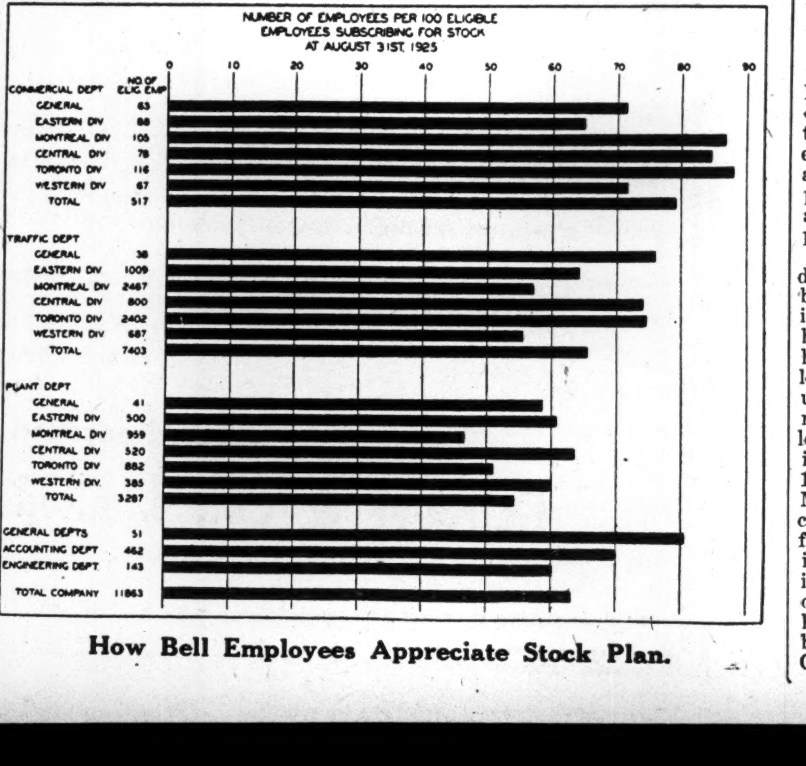
### Suspended Payments

Any employee, whose name is taken off the regular pay roll by reason of leave of absence temporary lay-off on account of reduction in force, or transfer to a disability pay roll, may at his option, (a) cancel any or all of his subscription agreements and in respect of any subscription so cancelled receive the amount to which he would be entitled if his service was permanently terminated otherwise than by death, or (b) make the required periodical payments on his subscription or subscriptions directly to the treasurer of the company or (c) suspend payments for the period his name is off the regular pay roll, not exceeding three months, the deferred payments to be made up by uniform deductions from his pay during the following six months. In case an employee acting under option (b) or (c) in respect of any or all of his subscriptions fails to make payments as provided, his subscription agreement or agreements shall be cancelled and he will be entitled to receive the amount to which he would be entitled upon permanent termination of his service otherwise than by death.

### Withdrawal Privileges

Any employee continuing in the service may, at any time, withdraw from any or all of his subscriptions or purchase agreements as to any or all of the shares covered thereby upon filing an application therefor with his immediate superior for transmission to the treasurer of the company. Upon the receipt of such application by the treasurer, the employee will be entitled to receive the total amount withheld from his wages, as to each share in respect to which such withdrawal is requested, with interest thereon at 6 per cent. per annum, compounded quarterly, and his subscription agreement or agreements will be cancelled as to such share or shares.

While the share ownership plan for employees, as worked out by the Bell Telephone Company, is perhaps not practical for smaller concerns it has its interest for all employers as typical of the new relations between capital and labor. With many concerns such a plan may not be desirable, but the idea, if it commends itself to the employer, can be worked out in other ways. In some industrial fields the offer of stock for subscription by workers would probably be met with little response. Pensions, insurance or other welfare plans may be found to have a stronger appeal. Or it may be that with some classes of labor the pay envelope is the only satisfactory method of reward. The policies which have been adopted by various companies, and the opinions of Canadian employers both for and against stock distributions and welfare plans, will be discussed in succeeding issues. No matter what the attitude of the individual employer may be as the result of his experience, he cannot afford to ignore the developments which are taking place in the field of labor in which he is competing for his supply.



How Bell Employees Appreciate Stock Plan.

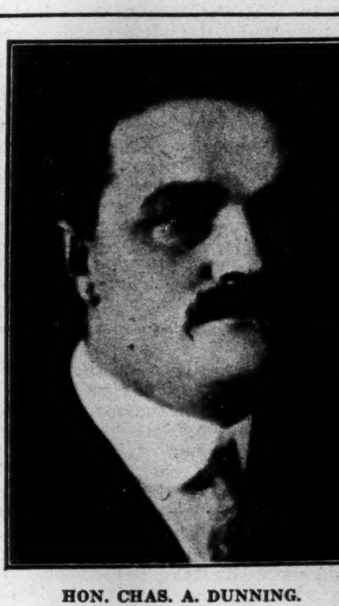
## DEFEAT OR RETREAT

Quebec Chronicle-Telegraph: Life just now, in short, is one darned thing after another for a harassed Ministry that prefers an inglorious retreat to a glorious defeat.

# A New Political Sun Has Risen Out of the West

PREMIER Dunning of Saskatchewan—as definitely forecast in The Financial Post, January 22—will join the King Government as minister of railways. The development can be taken to indicate not only that Premier King considers that the inclusion of the Saskatchewan Liberal leader will strengthen the alliance of the government with the Western parties but that Premier Dunning himself, a most astute politician, considers that the government is in a position—at least with his aid and co-operation—to carry on. While Mr. Dunning's relations with the Progressives are not so cordial since the last federal election it may be assumed that the appointment will be well regarded in the West. During the last campaign the Progressives objected to Mr. Dunning's activities on behalf of the Liberal party, when there had been an unwritten truce on the basis that the Progressives would keep out of the provincial arena if the Liberals would clear off federal affairs. However, there are undoubtedly, many of the Progressives who see little opportunity of ever electing a Progressive premier and who would support the Liberals with the idea of increasing Western domination through the influence of Mr. Dunning.

Canadians have so long been prone to assume that their political suns and lesser lights in the firmament of public life rise in the east that they may not appreciate that in Dunning there has risen in the west a political star with possibilities of some day becoming a poltical sun. In other words there are those who see in Charles Dunning a potential prime minister as a future leader of the Liberal party. It is no secret in Western Canada that his ambitions lie in that direction and when it is considered that he is only forty-one years of age, and has in ten years gone far in public life, many of the arguments against such an eventuality are disposed of.



HON. CHAS. A. DUNNING.

Charles A. Dunning will have the distinction of being the youngest member of the cabinet with portfolio. Born in Leicestershire, England, in 1885, he has been in public life only ten years, having entered the Saskatchewan legislature in 1916 as provincial treasurer. In 1917 he became minister of railways for the province; in the following year minister of telephones and in 1919 minister of agriculture. In 1922, on the elevation of Hon. William Martin to the bench, Mr. Dunning became prime minister, holding the portfolios of provincial treasurer and minister of railways as well. Arriving in Western Canada as a youth he not only made a success as a farmer but, having displayed that executive and business ability for which the Grain Growers' organization are constantly on the look-out, he was made head of the Saskatchewan Co-operative Elevator Co., one of the largest grain businesses in the world, when still a very young man. He has a natural bent for public affairs, is an astute student of public opinion and is not lacking in courage or determination when his course has been decided upon.

## Anthracite Coal Strike Has Not Caused Shortage

The anthracite strike has not developed any actual fuel shortage. The big problem is becoming accustomed to the substitutes.. As a result of the use of substitutes, mainly bituminous coal and coke, the anthracite strike has not been the serious problem that it formerly was, says a recent nationwide survey made by the National Industrial Conference Board of the United States.

In the far western section of the country, no effect of the strike is evident, as bituminous coal is the natural fuel and normal prices for it have prevailed. What little anthracite is used comes from Colorado and New Mexico mines, which produce a limited supply but enough for whatever demand exists in that section.

In the middle western region, however, substitutes for anthracite are being used, mostly coke, and also prepared sizes of bituminous coal, but it appears that the reserves of anthracite in that part of the country were not exhausted as soon as those in the East. The range of December prices for coke was mainly from $13 to $15 a ton, with occasional exceptions at $12 and $16.

The problem has been a more important one to central Canada than to any part of America, owing to the lack of immediate fuel resources. As in sections of the United States affected, the main difficulty has not been being unable to obtain coal, but having to adjust methods to a new type. We used to hear much about Canada's dependence on the United States coal. We are hearing less and less on this subject.

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FINANCIAL STATEMENT

| | |
|---|---|
| Assessed Value for Taxation | $71,463,218 |
| Total Debenture Debt | 15,767,696 |
| Net Debenture Debt | 7,367,721 |

Population—63,339. Area—10 sq. miles.

London is the fourth city in Ontario as regards both population and importance, ranking next to Toronto, Hamilton and Ottawa. It is the commercial, financial and educational centre of the southwestern portion of the Province. The City is one of the oldest and most substantial cities of Canada.

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*Investment Securities*

# *Your Investments*

**Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.**

### National Drug Prices

Vancouver reader:—I note you answer to an inquiry received saying 80 is bid for 7 per cent. National Drug preferred. Would you advise who are the brokers.

The information you asked re National Drug shares was supplied by A. E. Ames Co., Toronto. It was an open market bid.

### Big Chief Oil

W. C., Newfoundland:—What are the possibilities of Big Chief Oil?

Big Chief Oil presents an oil speculation or gamble. The company is drilling in Turner Valley field where Imperial Oil has a spectacular producer. Big Chief is regarded as being in the same formation but at a point where it may have to go deeper to get to the oil producing horizon. It cannot be fully financed or the company would not be selling stock.

### B. C. Pulp and Paper

C. E. T., Utica, N. Y.—Can you give me any information on the 6 and 7 per cent. bonds of the British Columbia Pulp and Paper Company?

The British Columbia Pulp and Paper Company is the proposed name of the new organization to be floated in connection with Whalen Pulp and Paper situation. There is as yet no public offering of 6 per cent. or 7 per cent. bonds and there is a possibility that there will not be an offering. It is proposed that the new sixes will be given in exchange for the Whalen bonds and a 7 per cent. issue in exchange for the debentures. The preferred stock will be issued under a similar arrangement, so that there is no quotation on any of these securities as yet.

### U. S. Rails High

Nova Scotia banker:—Note the attached New York circular re St. Louis San Francisco Ry. It points rosy prospects. How about Foley Mine?

Re St. Louis-San Francisco Railway, we don't make it a practice to answer inquiries on U. S. Stocks, but good brokers handling them here point to the high level of U. S. stocks and the tremendous rise that has taken place in the rails.

Foley Mine is meeting with some success underground. It will take some time yet to work out. We think their mill plans were a little premature.

### Industrial Alcohol and Others

Montrealer:—I hold Canadian Industrial Alcohol at 17, Mining Corp. 3.06, Keeley 2.25 and Lorrain Trout Lake. How is the list?

You are down a little on your Keeley stock, judging from the list you sent us, but between the time you bought it and now must have about evened up by dividends. Mining Corporation shows you a profit of about $1.30 a share and is much your best stock. Lorrain Trout Lake is a small mine that has good chances. Industrial Alcohol is regarded as a good speculative buy at present prices.

### Toronto Bond Exchange

W. H. B., Tillsonburg.—Are the bonds of the Toronto Bond Exchange well regarded? Is the company successful?

The plan under which the debentures of the Toronto Bond Exchange were sold to the public was the raising of working capital to carry on the business of the company, which is a well established investment banking house. Instead of selling stock to the public, the firm sold bonds, and are holding the stock to sell. There is no trust deed securing the bonds, but they are the first obligation of the company to pay the principal and interest. The bonds here were largely of five or ten years' duration, while a number of 20-year bonds were sold in England. While there are no tangible assets behind the debentures issues, the bonds are considered a first charge against the firm and interest payment depends upon its successful operation. The firm is generally considered to be ably managed by experienced bond men and the ultimate value of the common stock depends on the continuation of this sound management. The value of 6 per cent. bonds is now par and the equity behind them is 110. The bonds are being well received.

### Atlantic Sugar

J. F. A., Sherbrooke, P. Q.—Would you advise me to purchase the preferred or common stock of the Atlantic Sugar Refineries?

The recent settlement of the claims of the raw sugar creditors of the Atlantic Sugar Refineries resulted in changing the capital structure and placing the company on a firmer financial basis. One of the clauses in the trust deed covering the new issue of general mortgage bonds does not allow the company to pay dividends on either common or preferred stock until such time as the total bonded indebtedness has been reduced to $3,000,000.

This would mean a reduction in the par value of the bonds presently outstanding of some $1,700,000. In order to arrive at some conclusion about the future for the company's shares, this last figure must be compared to recent earnings which, it is understood, will approximate $475,000 for the twelve months ending with the calendar year just closed. This amount would represent the earnings on the preferred stock.

Both the preferred and common stocks of the company are therefore speculative. However, the situation looks more favorable perhaps than these bald figures would indicate. In the first place, the reorganization of the capital structure will considerably lower interest charges and should allow a larger proportion of gross earnings to be applicable to the preferred stock in the future. Again, in due course, the company will probably be able to purchase a considerable number of its general mortgage bonds below par. Finally, the company has just had an excellent year and all indications point to possibly even better business during 1926.

The preferred stock is at present some 35 per cent. in arrears. It seems reasonable to suppose that it could not pay any dividends on this issue for at least two or three years at the earliest. Therefore, you should not purchase either preferred or common shares unless you can afford to tuck the stock away for at least four years. If business for the company continues during the next few years as it has been during 1925, it seems probable that you would reap a reward on your speculation.

### Dominion Financial Corp.

J. R. MacK., Montreal.—What is your opinion of the Dominion Financial Corporation? Would you recommend their bonds as an investment?

The company has had a successful year. Their annual report for the 14 months period ending December 31, 1925, shows a surplus of $5,658 as against $2,696 for the previous year. One of the features of the balance sheet is the increase that has taken place in the corporation's total assets, which now amount to $692,797, as against $201,732 14 months ago.

The issue to which you refer, namely the 6½ per cent. ten years gold bonds, is now being sold. The total is $200,000. A short time ago there was issued and outstanding, less unpaid subscriptions, $59,100.

This is a business that with proper management can be made very successful. The company in the past has been operating on small capital, which has made it difficult for it to pay its overhead. With the increased capital now available, the prospects ought to be much better. Your reference to the high rate of interest is well founded and as you will agree the risk involved is usually found to be in relation to the rate of interest paid on any securities.

### Four Investments

D.S.M.—I hold the following stocks for investment purposes: 68 shares of Royal Bank; 105 shares of C.P.R.; 10 shares of Dominion Bank and 30 shares of Bell Telephone. What do you think of them?

You have a nice list of stocks which have already appreciated considerably in value.

**Royal Bank**

The Royal Bank has always been ably and aggressively managed and we believe the progress which it has shown in the past will be continued in the future.

**Canadian Pacific**

The stock of the Canadian Pacific Railway will fluctuate in the future much in accordance with the general business conditions prevailing throughout Canada. No doubt this company will experience lean years occasionally in the future, but even so, these have been experienced in the past and the railway has always been able to earn its dividends. It seems a fair assumption to presume that eventually Canada's natural resources will attract more and more capital—as the country grows, so will the railways, and with it, probably, the value of its securities.

**Dominion Bank**

The record of the Dominion Bank has been excellent. It has always been a conservative organization, entering into no mergers; consequently, it has not expanded to the extent of some of the other banks. We believe that you would be wise in holding these shares, though perhaps they may not in the "long pull" show as great an appreciation as some of your other holdings.

**Bell Telephone**

Your holdings of Bell Telephone Co. might be increased a little. During the next five years the company will spend in the neighborhood of $87,000,000. This must mean the occasional distribution of new shares to the present shareholders. When this occurs, you can either purchase your share of new stock issues or sell the rights. This would increase the yield on your holdings.

If these shares represent your total assets, we believe that your investment might be more diversified. You have rather large holdings of C.P.R., perhaps you might sell some of this and purchase some sound industrial bonds or some preferred stock such as that of Spanish River. If you wish to purchase some securities with a higher yield, the preferred shares of Jamaica Public Service Co. would interest you.

## Current Opinion

### THE BURDEN AND THE BEARER

Quebec Chronicle-Telegraph: Whatever the government may have done in the direction of easing the burden of taxation it has more than offset by sapping the strength of the taxpayer to bear the burden that remains.

### SKEPTICAL

Toronto Globe: Soviet agents declare that Russia will by 1928 be exporting 500,000,000 bushels of wheat. These agents deceived the world only recently on the point of their wheat exports, and their word is no better now than it was then.

### GET THE TAXES DOWN

Windsor Star.—The city of Edmonton has reduced its tax rate from 46 mills last year to 44.35 for 1926, which means a clear saving to the ratepayers of at least $100,000, as the reduction was not accomplished by adding to the assessment, but by slashing the tax levy itself. The city estimates this year are $2,578,879, as compared with $2,719,645 a year ago. The most drastic cut was made in that item entitled "municipal purposes." Last year $654,766 was provided. This year the estimate is $225,000.

Edmonton's action looks like a wholehearted attempt at governmental economy. Moreover, it is being done at a time when things are picking up in the West, and lighter tax levies should aid returning prosperity. Edmonton's example is one that might be followed to advantage throughout Canada. A start, at least, should be made at Ottawa, and it should be taken up in every province and every municipality in the Dominion.

Attractive taxation will mean more Canadians staying at home and more new citizens coming in. And the result—additional population—will mean greater prosperity, greater progress and higher standing for the nation.

### 'PHONES AND 'PHONES

Moose Jaw Times: It does make a difference what party is in power and what policies prevail. One difference between Liberal government in Saskatchewan and "Group" government in Alberta is shown in the matter of 'phones. In Alberta the provincial telephone system does not earn enough to meet the running expenses under its present management. In fact, it is losing rather heavily, the deficit last year being approximately a half million dollars. In one way a telephone system is like a newspaper: the better service it gives the more it has to charge. That is, the more subscribers a telephone system has the higher the rates have to be—like advertising rates. The problem for the Alberta 'phone system is not more 'phones, but more revenue. To obtain this the delegates at the U. F. A. convention proposed that a frontage tax should be imposed upon property past which the lines of the system run. "That is an unusual way to raise revenue for an undertaking of the kind, and that it would be acceptable is much to be doubted," the Edmonton Bulletin says. "Certainly there would be an outcry if the city of Edmonton undertook to collect a frontage tax for the upkeep of the civic telephone system from property fronting on the lines. The telephone is a convenience, for which it seems to be an elementary principle that the user ought to pay. The farmer non-user might object to being made pay a part of the rental for his neighbor, just as the city non-user would assuredly do."

## Adam Brown on Canada's Future

**From an address prepared by the late Adam Brown for delivery at the seventy-ninth annual meeting of the Canada Life Assurance Company, Jan. 14, 1926.**

There has been too little attention paid in the past to attract the young people to stick to the farm. I mean the boys and girls, to remain on the farm. The Honorable Mr. Martin, the Minister of Agriculture for Ontario, has struck a chord that is having a wonderful effect in keeping the young people, of both sexes, away from the lure of cities, by offering prizes of a character to let these young people feel that they alone are competing for them. Letting these young people see that they have a responsibility and that they amount to something in their clubs and meetings, on matters on which the older ones on the farm have nothing to say; this is working wonders. The special action of Mr. Martin has been to offer prizes of such a character as are interesting the young people beyond measure. I look for wonderful results to follow this policy. There are other branches that assuredly will be followed out, inspired by the success of this one. All honor to Mr. Martin and the Ontario Government for this practical movement. Let us hope that the immigration policy of the several governments, recently given to the public, will be a success. From all appearances and statements appearing so far in the press, it promises well.

We hear of the great and rich deposits of gold, but they are as nothing compared with what we will receive from the golden grain of our illimitable prairies. Canada will certainly be, one day, if it is not now, the granary of the world. Our resources are beyond description. When we consider the great discoveries that have been made of hidden wealth since Confederation, one is aghast. The latest revelations about the wonderful copper mine on the border of Saskatchewan and Manitoba are almost beyond conception; an undertaking that will require 10,000 people to work in its development. Instead of cloudy visions of the future, we should have none but the brightest.

The progress since Confederation has been beyond words and if the present campaign overseas for settlers, proves what is expected of it in bringing the right sort of people here, all will be well.

*Quotations on Unlisted Securities*

The majority of Canadian Bonds, and many sound Preferred and Common Stocks, are not listed on the Stock Exchanges, and quotations are therefore not always readily available to investors.

Through extensive branch office, private wire and correspondent connections, our Trading Department is enabled to give prompt and accurate bid and asked quotations on securities of that type.

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*—Winnipeg manager of a large life insurance company.*

# POST-Scripts

The world championship for real estate thrift is awarded by the Wall Street Journal to a Calcutta coolie who just died in Calcutta leaving a fortune of $125,000. His largest day earnings as a coolie were eight cents. His first investment was the purchase of a mud hut at $20. This he sold with 400 per cent. profit, with each successive turnover investing in more pretentious property. As he died without an heir, his savings went to the state.

CHARLES A. DUNNING, Saskatchewan's premier and the coming minister of railways in the federal government, propounds the theory that retrenchment in public expenditures works out all right from the political standpoint if you can carry it far enough—and he says that he has proven his theory. The first step in retrenchment, he says, is the most unpopular. Each succeeding step meets with its opposition until the new policy has been carried far enough that there is a substantial body of those directly affected and their friends as compared with those who have not been affected. Then, as the body of those affected grows until it becomes greater than those not affected the policy is carried forward by its own popularity, those who have been affected being out to see that retrenchments are made in other directions so that their burdens in taxes may be reduced in proportion to their reduced incomes.

In other words, Mr. Dunning argues that retrenchment after it is carried so far will go forward of its own momentum in the same manner that extravagance pyramids after it has been started.

KIWANIS, Rotary and Booster Clubs seem to try to outdo each other in the originality of the stunts which enliven their proceedings and add touches of wit and "pep" to their luncheon gatherings. The editor of Post-Scripts sat in at a Kiwanis Club luncheon, in an Ontario city, not long ago, that seemed to go the limit in originality. The first noticeable feature was the presence of two members sitting on a raised dais at the head of the room, ordering, not the very good meal provided for the members, but their choice of the menu. Explanation was forthcoming to the effect that, each week, two men are appointed to get out the members for that week's luncheon, and at the end of the month the two men who have brought out the largest attendance at any of the weekly luncheons are honored by a luncheon at a separate table at the expense of the club as a whole.

The next piece of originality was a combination of songs and gymnastics to speed up the digestive processes.

After lunch, the chairman drew a number of tickets from a hat, each ticket bearing the name of one of those present and the lucky parties were awarded various credits at local stores, applicable towards the purchase of goods.

AUSTRALIA is very strong in maintaining the "White Australia" policy. At the same time immigration laws are tactfully framed to avoid giving offence. An educational test is one of these regulations. By it, as Sir James Elder, commissioner for Australia in the United States, explained to the Canadian Club in Toronto, it is possible to keep out practically anyone deemed undesirable.

Sir James gave an illuminating example. The immigration authorities discovered that there was enroute to Australia an undesirable with a forged passport. It was considered advisable to keep him out of the country, but the government did not want to reveal its hand. The immigration officer at the port of landing was given his instructions to use the education test. He called on the immigrant before landing and explained the law. He submitted a few sentences in one of the European languages and asked for a translation. It was given correctly. He then submitted the same passage in another language and again the translation was given. Having come prepared for such a situation he was able to submit the test in six different languages, but to his consternation found that the versatile immigrant had an education which permitted him to translate all of them.

The immigration officer withdrew as gracefully as he could and got in touch with the university by telephone.

"Can you submit something in a language this fellow will not be able to translate," he asked the professor, a Scotchman.

"I think so, was the reply," and the professor went to work.

The test was submitted and the immigrant, failing in the translation, was turned back from Australia.

"And what do you think that language was?" asked Sir James, himself a Scotchman. "It was Highland Gaelic."

FREE publicity seekers are legion. One stunt is the sales manager of a Canadian manufacturing concern who writes each year to the advertising managers of various publications in which he advertises, complimenting upon the fine paper they are producing and telling of the fine results achieved from the advertising.

Usually the papers are very proud to get these letters and reproduce them very widely, giving the writer of the letters a considerable amount of publicity.

There is one serious flaw, however. In several cases, where such letters have been written, the sales manager has stopped advertising in the paper he had so highly extolled; in one case, after stating in his letter that he intended increasing his space during the coming year.

All of which adds emphasis to the oft repeated statement that the weight of a testimonial depends upon the signature at the bottom of it.

### B. C. TIMBER EXPORTS A RECORD

VICTORIA.—Making its way to the four corners of the globe, British Columbia lumber broke all records for overseas shipments last year, according to figures compiled by the Provincial Forestry Department. Total waterborne shipments of lumber from the province last year amounted to 577,560,288 feet, compared with the former record of 531,262,318 feet established in 1924.

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**Booklets**
**That Will Interest You**

A new edition of our booklet, "Government Bonds for the Canadian Investor," revised to the end of 1925, is now ready for distribution.

In addition to giving particulars of Canadian Government issues and of such foreign government obligations as we recommend, it contains interesting and pertinent comments on the economic conditions of the countries concerned.

We shall be glad to send this booklet upon request, together with our monthly booklet "Investment Securities". Write our office nearest you.

The March number of Investment Securities contains a list of presently-available securities of various types and maturities with attractive yields (in some cases over 7%) . . . . securities that we recommend as sound investments.

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# *News of the Investment Market*

## SURPLUS OF FUNDS FINDS OUTLET IN FOREIGN BONDS

### Higher Yields in Europe and South America Prove Attractive

Much has been heard of the plethora of funds both in this country and the United States. The United States which is at the peak or near the peak of her trade expansion finds itself, strangely enough, with plenty of capital and prospects for lower money rates. The significance of this fact is much broaded and farther reaching than a question of future interest rates.

What are the prospects for bond values? It is well known that at the peak of the trade boom, capital is usually transferred from stock to bond investments, since in a period of falling prices or even a period of the horizontal price level a steady, even flow of bond interest represents an increasing or constant purchasing power, while there is usually a depreciation in the value of stocks in a similar period. Perhaps it is in anticipation of this condition that bonds will continue to appreciate. The bond index in the United States is the highest since 1917. Dow, Jones & Co. bond index for January, 1926, based upon the average price and yield of 40 corporation bonds, advanced to the highest point since March, 1917. The combined average in January, 1926, was 78.59 against 79.66 in March, 1917, and a record high of 81.91 in January, 1917. The prices of all issues made sharp advances last month under the lead of high grade railroad bonds, which scored a gain of 1.09. The public utility index number was also up, as were the prices of industrial bonds. This forward movement was made in the face of frequent rises of the call loan rate and the general rise in prices for high grade stocks.

**Accumulation of Capital**

Before the war, the United States, as a nation, earned about $32,000,000,000 annually and saved out of it approximately 12 per cent. available for all uses to which capital is put. At the present time the United States is earning about $61,000,000,000 annually and still saving 12 per cent. Thus the United States surplus has increased from less than $4.000,000,000 to more than $7,000,000,000, while United States industries are so well equipped that it has become a great problem to find ways and means of employing this huge volume of new capital.

Canadian bonds, too, have appreciated, although no suitable index presents itself at the present time to afford us sufficient matter to make comparisons. We do know, however, that before the war Canada, as a nation. earned about $3.250,000,000 annually and saved out of it approximately 15 per cent. available as in the case of the United States for uses to which capital is put. At the present time Canada is earning about $5,700,000.000 and still saving 15 per cent. Unlike the United States, however, our industries are perhaps not as well equipped as those on the other side, yet since the American surpluses are so readily available along with our own, our money rates have moved with the American.

The problem of finding a suitable outlet for the great surplus of funds is becoming more serious at the present time. Money, however, as an international commodity will flow to the point of greatest attraction. The year 1925 was a distinctly constructive year for Europe. It marks the passing of war hatred, and the readmission of Germany to the family of nations. Restoration to normal conditions in Europe is, in part, dependent on the advance of further capital to Europe, which has been virtually starved financially for several years, and, in part, dependent on the re-establishment of trade relations between the several different countries. Foreign lending has offered a desirable employment for otherwise idle capital. The fact remains, however, that supply still exceeds demand and the price paid for use of capital will in all probability reach lower levels.

There has been much lending abroad, especially in Europe ,which is likely to continue until we, on this side of the water, will feel some severe jolt which will make us unwilling to lend any more. In the meantime, we will go on lending abroad, attracted by high interest rate. The more we lend abroad, the sooner will Europe become re-established and easier will it become for some of the European countries to make reparations.

**Are German Securities Safe**

It is true that foreign securities are attractive so far as yield is concerned, but what about their safety? Are German securities safe, for instance? Up to now German capitalists through the depreciation of securities have largely footed the reparation bill. It has been pointed out that German reparations in the course of the next fifty years or so will be paid at the expense of her labor through lower standards of living following upon lower wages. This is quite a sweeping statement. It is true that Germany will have to create an export surplus in order to pay her reparation. It is true that in order to do this she will have to lower her prices which are at present 30 per cent. above the world's market prices. And it is true that in spite of her present low wages she will have to lower her cost of production. Where will the axe fall?

What factors enter into price in the long run? First of all let us consider the matter of interest. We know that Germany is financially hungered, and in order to attract capital will have to offer a high interest rate. Secondly, consider raw materials. With the enactment of the Treaty of Versailles, Germany's economic wealth has been disturbed and to-day she is one of the poorest countries in Europe. She will have to import her raw materials from without. If the costs of production are to be lowered then wages would appear to be the only element capable of undergoing further reductions.

**Keen Interest in Argentina**

There has been much interest taken in the South American securities. It is pointed out that Argentine bonds in spite of the recent advance are still very attractive. Canadian institutions have been buying them on a large scale recently. In analyzing the Argentine securities it is well to remember that Argentina did not participate in the war. Her per capita debt therefore is small. She has a balanced budget; her export surplus has been steadily gaining and her government is perhaps the strongest of any in South America. Furthermore, the inherent prejudice which has existed for South American securities seems to be wearing away.

How does the yield on Argentine securities compare with Canadian yield?

The population of the two countries is about the same. The national wealth of Argentina is about fourteen billions as opposed to Canada's national wealth of twenty billions. In 1914 the per capita debt of Argentina was about $41 while ours was $43. On the other hand, Canada's per capita debt is about $350, while that of Argentina is less than $100. In other words, our per capita debt has increased by eight-fold, while the Argentine per capita debt has only increased by less than 2½ fold since 1914. In 1914 Argentine issues were well received in Europe at about 5 per cent. To-day the yield in Argentine issues is practically over 6 per cent. On Canadian securities of a similar type the yield in 1914 was about 4.25 per cent. To-day our issues yield about 4.75 per cent. This would indicate an unreasonable discrepancy, especially in view of the fact that Argentina has a balanced budget and we have not. It has been asked, therefore, would it not be reasonable to assume that Argentine securities will appreciate at a faster rate than will Canadian.

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**SASKATCHEWAN**

**Debentures Reported Sold**

Violette S. D. No. 1819, $720, 5 years, 6 per cent., Regina P. S. Sinking Fund; Dafoe-Copeland R. T., $600, 15 years, 6 per cent., McDougall, Dafoe; Southminster R. T., $300,

## INVESTING ABROAD REQUIRES STUDY OF MANY FACTORS

### U. S. Investment Bankers Point to Conditions to Be Watched

Relative to the conditions attending the investment of capital in foreign industry, certain observations were made at the recent convention of the Investment Bankers Association of America which are of interest to the Canadian investor in foreign securities. Some of these follow:

First may be mentioned the difference in standards of government. We take it for granted in this country that our government is stable and will endure and we are almost unconscious that the stability of government is the cornerstone on which our investments rest. Such stability is unfortunately lacking in many foreign countries, and its absence forms a great factor of risk which has to be carefully weighed in considering the permanence of industry and industrial securities. Political complications and the possibility of war are vital factors in investing money.

Allied to this question of government is the question of taxation, which is frequently used adversely to capital by unstable or unsound governments. Here, again, we are inclined in this country to feel that taxation rests on a fairly well understood basis and aside from wars, or other emergencies, we are not likely to have sudden or drastic changes in our methods or rate of taxation. On the other hand, some foreign countries are inclined to be either unsound or predatory in their taxation, and companies which are making good profits are frequently targets for political purposes or for the collection of additional revenues. Tariff policies of countries with unstable governments or unsound ideas of taxation may be vital considerations.

Another feature which is probably understood by only a few investment houses in this country is the legal procedure of foreign countries, which is freuently different from our own. Laws relating to ownership of property, mortgages and rights of security holders have to be carefully studied, and it is necessary either for some law firms which understand our own investment requirements to make a careful study of foreign conditions in regard to any new issue and to check the work of foreign law firms passing on the same questions, or for the bankers to accept opinions from foreign law firms whose understanding of our own investment requirements may not coincide with their own.

Similarly, there is the question of accounting methods and standards and of the checking of the balance sheets and earnings statements by foreign auditors. Accounting methods in England and the British possessions are very much the same as our own, but in some other countries, especially in those whose accounts have to be translated from a foreign language, the use of terms is not always clear and it is not always easy to get an identity of understanding in regards to the important facts and figures about the company.

**Banks Often in Control**

It may be said in regard to some of these points that control of foreign industrial companies is much more in the hands of banks than is customary with us, and in such cases the circumstances are undoubtedly understood thoroughly by such banks and contact with them will probably result in a good understanding between the companies and our own bankers. Where such contact is lacking, however, a full knowledge of such circumstances as have been noted is very necessary.

It must be remembered that America is a new buyer in the foreign market and, as such, is very likely to have securities offered which the established markets of England and France have passed by as being unsuitable. The soundest securities are probably so well intrenched in their respective markets that those who understand them will probably pay higher prices for them than we will. In the long run we shall probably have either to accustom our investors to paying the higher prices which the best securities command in their natural markets, or else take a heavy responsibility as purchasers in making selections in the field of the more speculative and less attractive issues.

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**BIG EXPORTS OF B. C. SALMON**

VICTORIA.—Salmon exports from the Province of British Columbia during the past year were the largest recorded for some years and amounted to 1,571,000 cases.

## NEW FEDERAL ISSUE TAKEN UP PROMPTLY

### U.S. Share Quickly Oversubscribed — Canadian Allotment Has Fine Reception

The only big feature of the bond market this week was the rather sudden announcement of the government flotation of $105,000,000 Dominion of Canada bonds to provide for the refunding of maturing loans.

The Canadian share of the offering comprises two maturities. The first consists of $45,000,000 of 20 year bonds offered at 97 which is a yield of 4.73 in comparison with a yield of 4.75 on 15 year bonds sold by the Dominion last year. The bonds are being sold by a syndicate comprising the Bank of Montreal, Royal Bank, Bank of Commerce, Dominion Bank, Wood, Gundy and Co., Dominion Securities Corp., A. E. Ames and Co., National City Co. The balance of $20,000,000 will be offered in short term bonds in Canada.

The flotation of the present issue has had the effect of depressing the market in general, a sag of several cents in some issues having resulted There has been a marked scarcity of other federal bonds. It would have been impossible to go into the market and purchase $100,000 worth of any issue, and in this respect the present offering is brought into the market at a most opportune moment.

From the standpoint of the buyer of bonds, it seems evident from a comparison of the yields of this and other government issues that the new bonds are not a small man's investment. Other issues such as that maturing in 1943 offer a higher yield. The issue which was made last September, for example, is now offered at 96.50 which represents a yield of 4.82. This is obviously more attractive to the small investor. It could not, of course, be obtained in large blocks. Furthermore, the present issue favors the large buyer, prices being shaded in the case of large blocks. The situation is almost the reverse in the case of other issues, since the purchase of large blocks of any of the older issues would immediately raise prices.

What is the significance of the decrease in spread between government and municipals, is not apparent on the surface. In any event there is a marked tendency for this spread to disappear, in comparison with two or three years ago. There is a relatively stronger demand for the higher yields.

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**7% FIRST MORTGAGE BOND**
Payable in American funds. Guaranteed by 15 counties. Earnings largely in excess of Bond interest requirements. Good prospects for enhancement in value.
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*Investment Bankers*
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260 St. James Street MONTREAL MAIN 8542

## $300,000 Preferred Issue on Humberstone Shoe, Ltd.

The financing of the Humberstone Shoe Co. Ltd., of Humberstone, Ont., incorporated for the purpose of acquiring the assets of the Humberstone Shoe Co., has been completed this week and a $300,000—8 per cent. accumulative redeemable sinking fund first preferred stock issues of par value $100 appeared on the market. The underwriting of the issue was done by McLeod, Young, Weir & Co., and it is understood that the issue is being rapidly absorbed. This new financing will permit the retirement of some of the older members of the firm as well as a change in the ownership of the company.

The business was inaugurated by the company in 1905 on a capital of $1,500. It has reached its present proportions through the ploughing back of profits year after year. The company's plant is the largest in Canada devoted exclusively to the manufacture of children's open leather shoes.

The preferred stock is preferred both as to dividends and assets. No bonds may be issued or mortaged or loan given on the fixed assets without the consent of the holders of at least 75 per cent. of preferred stock. Furthermore the company must at all times maintain net current assets at an amount at least equal to 50 per cent. at the outstanding preferred stock. Preferred stockholders also have other valuable controlling rights. The company's earnings, that is the net profits before deduction of income taxes, have averaged for the past three years about $70,000 per year.

The management of the business will remain in the hands of H. H. Knowles, who has been general manager since 1917.

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**Consolidated Hydro-Electric Works**
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Upper Wuerttemberg, Germany
First Mortgage 7% Thirty-Year Sinking Fund Gold Bonds.
Due 15th January, 1956.
Principal and Interest payable in New York City.
Price: 93 and Interest, to yield about 7.60%.
*Descriptive circular on request.*
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LIMITED
255 Bay Street, Toronto

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**Milton Brick Ltd., 6½%**
First (Closed) Mortgage Sinking Fund Gold Bonds
Due
April 1st, 1935
April 1st, 1940
Interest payable half-yearly. April 1st and October 1st.
*Price on Application.*
**BROWNING, HARRIS, DENMAN & CO., LTD.**
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Government and Municipal Bonds
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Price on application
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**DOMINION OF CANADA**
Twenty Year 4½% Bonds
*Dated February 1st, 1926.* *Due February 1st, 1946.*
Price: 97 and interest, yielding 4.73%
Orders may be Telegraphed or Telephoned at our expense.
**THE TORONTO BOND EXCHANGE**
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# *Municipal and Provincial Finance*

## TORONTO TAX RATE GROWING FASTER THAN POPULATION

### Gross Debt Has Fallen Ten Millions From Last Year

Nearly $28,000,000 will be required by the city of Toronto to conduct the general civic administration and educational systems of the city for 1926. The exact amount is $27,657,467. Of this total, $8,762,991 will be required by the board of education, and $18,312,476 for general purposes. A net decrease of $92,709 is shown since 1925, and it is stated that this is due to the reduction of more than half a million dollars in debt charges accomplished last year by the retirement of debentures before maturity. A surplus of $534,492, one of the largest in the history of the city, was brought forward. As a result, the levy will be $24,988,140, and the tax rate for the year 29.50 mills on the dollar.

As a result of the fact that the city is committed to a capital expenditure of approximately $40,000,000 within the next few years there seems to be little chance of a much lower rate for some years to come. With respect to this, Finance Commissioner Ross said:

"The amount of new capital to be authorized in 1926, as set forth in the estimates, approximates $17,000,000. This is in addition to $25,000,000 capital expenditures included in these estimates which the city has already authorized. Of this amount $4,389,000 is unnegotiated. The city is definitely committed to a number of large works, estimated to cost more than $40,000,000, the construction of which will be spread over a period of years. In 1926 only a portion of this amount will be raised."

With regard to the new issues which will be floated during 1926, the commissioner stated that the total will be in the neighborhood of $12,250,000 exclusive of the $3,000,000 already referred to. The new debt to be funded this year will carry with it additional debt charges of $533,605 during the current year and for subsequent years during the life of the loan, $970,550. After all the works contemplated in the $40,000,000 program have been completed, the annual debt charges will be in the neighborhood of three million dollars.

The gross funded debt according to a statement submitted stands at $163,951,785 in comparison with $173,374,220 last year and $44,329,000 in 1912. In the present debt, ordinary city services account for $64,815,903 and public utilities $99,135,882.

In presenting the budget to the city council, the commissioner submitted also a detailed statement showing the growth in assessment, tax rate, etc., for a ten year period. The statement shows that the tax rate during the period was wholly incommensurate with the increase in population. The table follows:

| Year | Population | Assessment | Tax Rate in Mills |
|---|---|---|---|
| 1916 | 460,526 | $581,951,013 | 22.50 |
| 1917 | 473,829 | 579,756,160 | 25.50 |
| 1918 | 489,681 | 600,788,145 | 30.50 |
| 1919 | 499,278 | 619,096,325 | 28.50 |
| 1920 | 512,812 | 637,771,320 | 30.50 |
| 1921 | 522,666 | 693,483,354 | 33.00 |
| 1922 | 529,083 | *742,009,040 | 32.35 |
| 1923 | 538,771 | *790,058,870 | 30.80 |
| 1924 | 542,417 | *813,832,400 | 30.00 |
| 1925 | 549,429 | *836,478,220 | 29.85 |
| 1926 | †555,000 | *847,055,615 | 29.50 |

| Year | Amount Levied by Taxation | Per Capita Assessment | Levy |
|---|---|---|---|
| 1916 | $13,076,642 | $1,255 | $28.40 |
| 1917 | 14,987,063 | 1,259 | 31.44 |
| 1918 | 18,341,143 | 1,268 | 37.46 |
| 1919 | 17,659,688 | 1,264 | 35.37 |
| 1920 | 19,471,100 | 1,277 | 37.97 |
| 1921 | 23,076,988 | 1,352 | 44.15 |
| 1922 | 24,003,993 | 1,402 | 45.37 |
| 1923 | 24,333,814 | 1,466 | 45.17 |
| 1924 | 24,414,972 | 1,500 | 45.01 |
| 1925 | 24,969,846 | 1,522 | 45.45 |
| 1926 | 24,988,141 | 1,526 | 45.02 |

*Average assessment for taxation purposes.
†Estimated.

## Tenders and Bylaws

**Mar. 3—Revelstoke**—$60,000, 5 per cent., 15-instalment debentures. W. A. Gordon, city treasurer.

**March 11, Dalhousie, N.B.**—$60,000, 5½ per cent., 25-year school bonds. J. B. Delaney, Sec. Board of School Trustees, District No. 1, Dalhousie, N.B.

**March 4, La Salle, Ont.**—$15,500, 6 per cent., 20-year Hydro debentures, P. N. Monforton, clerk and treas.

**March 3, Oshawa**— $226,084, 5 per cent., 10, 15 and 20-year debentures, for schools and local improvements. P. A. Blackburn, city treas. (See announcement on page 16).

**March 5, Carleton County**—$154,280, 5 per cent., 5, 10, and 20-instal. debentures. Henry R. Washington, clerk and treas., Ottawa. (See announcement on page 16).

**March 8, Town of Point Claire, P.Q.**—$92,000, 5 per cent., serial bonds. Lorenzo J. Laurendeau, sec.-treas.

### UNLISTED BONDS
(Montreal Stock Exchange)

| | Bid | Asked |
|---|---|---|
| Abitibi 6% 1940 | 101½ | 102½ |
| Alabama 5% 1962 | 118½ | 120 |
| Algoma Steel 5% 1962 | 32 | 33 |
| Belding 5% 1936 | 85 | .. |
| Belgo Can. Paper 6% 1943 | 100¾ | 101⅝ |
| Brand-Henderson 5% 1939 | 90 | .. |
| Burns, P. & Co. 6½% 1943 | 102⅛ | 104 |
| Can. National Rly. 5% 1954 | 101½ | 102⅜ |
| Calgary Brewing 5% 1942 | 83 | .. |
| Can. Steamship Lines 7% 1942 | 104¼ | 105 |
| Can. Pacific Rly. 5% 1934 | 100 | 100¾ |
| Can. Pacific Rly. 4½% 1944 | 94 | 94½ |
| Can. Steel Foundries 6% 1936 | 100 | .. |
| Dom. Iron 5% 1939 | 60¾ | 62 |
| Dom. Textile 6% 1949 | 106 | .. |
| East Koot. Power 7% 1942 | 102⅞ | .. |
| Frontenac Brewing 6% 1951 | 95¾ | .. |
| H. Smith Paper 7% 1941 | 101¼ | 102 |
| Laurentide Power 5% 1946 | 99¾ | .. |
| Laurentian Power 6% 1936 | 100¼ | .. |
| Man. Power 7% 1941 | 105 | .. |
| Montreal Steel Works 6% 1940 | 100 | .. |
| Prov. of Ontario 5% 1948 | 101⅝ | 102⅜ |
| Ontario Pulp 6% 1931 | 107 | .. |
| Price Bros. 6% 1943 | 101⅞ | 102⅜ |
| Quebec Power 6% 1953 | 103½ | .. |
| Walmsley, Chas. 6% 1943 | 96¾ | .. |
| Winnipeg Elec. 6% 1954 | 97½ | 98¼ |
| Sherbrooke Rly. 5% 1940 | 77⅝ | .. |
| St. Law. Sugar 6% 1932 | 92 | .. |
| St. Maurice Power 6½% 1953 | 108½ | 109½ |

## Border Municipalties in Dispute as to County Taxes

The urgency of the introduction of some satisfactory standard basis of municipal assessment is emphasized by a situation which has arisen between the county of Essex and Ford City with regard to the amount of taxes the latter should pay for county purposes. Ford City made out its assessment on the basis of percentage of value, and arrived at a sum of $59,000 payable to the county for county purposes. The county of Essex contends that this amount is quite inadequate and that on a basis of percentage of value the county tax should have been $110,000. The matter will receive the attention of the provincial legislature.

Since the situation is one which has a bearing upon a large number of similarly situated municipalities, some standard practice is immediately essential. In addition to Sandwich and other towns in the neighborhood which are vitally interested in the outcome of the present disagreement, a large number of Ontario towns are just reaching the stage of development where the county assessment is irksome and costly, and where the added burden of having a city charter might be preferable to the payment of an increasing tax to the country in which it is situated.

Ford City apparently finds itself in such a position, and there is a large body of opinion in favor of obtaining a city charter and thus becoming free of county taxes. The rapid growth of this section of Canada is well known. Ford City's assessment has increased from a total of $607,879 in 1913 to an assessed value for taxation in 1925 of $11,005,860. The latest assessment, just completed, shows an addition of $1,046,354 to the previous figure of $12,151,914. Of this amount, incidentally, about 30 per cent. is assessed against the Ford Motor Company of Canada, which industry alone in 1924 contributed about 24 per cent. of the town's levy for taxation. The rate of taxation is being kept as low as possible, being 40 mills in 1924. It is apparent that the amount payable to the county is increasing annually and has become a fairly large item. It is only natural that the town should seek freedom from this. On the other hand the affairs of the county are expanding and costs are mounting each year, and it is only natural for the county officials to endeavor to obtain the greatest possible amount from all sources.

## Manitoba Modifying Her Income Tax Legislation

An increase in the exemption to a married man from $1,000 to $2,000 is the outstanding feature of the changes suggested and being made in the income tax of the Province of Manitoba. The exemption of $2,000 covers anyone who is married or has dependent upon him and resident with him, an immediate relative of specified relationship. In the old act, moreover, $300 could be deducted from taxable income for each parent resident with the taxpayer, and dependent upon the taxpayer for support. According to the new act the same deduction may be made for the maintenance of the following persons dependent upon the taxpayer for support and respecting whom the latter is not exempted previously; parent, grandparent, sister, brother, son or daughter over 18 and incapable of self-support on account of mental or physical incapacity.

A feature of the new legislation is that the minister administrating the act has the right to decide what is the chief source of income of the taxpayer. Under the old act the minister had the right to determine only whether or not losses sustained by the taxpayer were in connection with his chief source of revenue.

## Million Dollar Extension to Border Cities Railway

Additions and improvements to the value of nearly $1,000,000 will be made to the Border Street Railway this year, according to an announcement just made. The additions will involve extensions, additional rollingstock and subpower stations. The railway is operated by the Hydro Electric Power Commission.

In pointing out the need for these extensions, W. R. Robertson, superintendent of Hydro Radial Lines, said that operation of the railway during November, December and January showed a net surplus of $35,000, and that business of the system during the last few months especially had exceeded all expectations of the commission. The volume of traffic had gone up by 30 per cent., whereas the commission, he said, had figured only a 10 per cent. increase in preparing for needs of the year.

Plans are being made to purchase 20 new double-truck cars, which will cost $300,000, and treadle equipment, that has proved so satisfactory in Toronto, will be installed on the present one-man cars in order to provide rear exits for passengers.

Plans for future developments of the system, to be made within the next two years, were outlined by Mr. Robertson.

### TWO MILLIONS FROM GAS TAX

More than $2,000,000 has been collected by the province of Ontario under the Gasoline Tax Act, 1925, according to a statement made in the provincial house this week by the Minister of Public Works and Highways. The actual amount collected up to the end of October was $2,014,728. While no separate accounting department has been established to receive this money, it was duly paid over to the department, and $1,974,434 has been paid over to the consolidated revenue fund. The cost of collecting this amount, according to the minister, was $40,603.

## British Railroads Buy Where Values Are Best

LONDON.—A protest against the recent placing of an order for 24,000,000 feet of Douglas fir railroad ties in British Columbia by one of the big British railway groups appears in the Financial News, over the signature of Hedley Miller, secretary of the Home-Grown Timber Association.

Miller says that a fair proportion of the requirements of the railways in question could have been supplied by British industry which has been severely hit in recent years by the trade depression.

### WEST VANCOUVER HAS SURPLUS

Owners of property in West Vancouver are gratified with the position of the municipality and the progress that has been made during the past two or three years especially. Economy in the administration of the finances are revealed in the fact that there is a surplus in the sinking fund, over legal requirements, amounting to $31,469, while the balance sheet also shows $539,619 of assets in excess of liabilities. The corporation has power to borrow 20 per cent. of its assessed valuation. That valuation is $5,002,299 so that it could borrow up to $1,000,000. Of this amount, actual borrowing power used was only $782,0000.

## This Week's Bond Sales

### TOWN OF FORT FRANCES

An issue of $75,000, Town of Fort Frances 5½ per cent., 20-year public school debentures has been awarded to Bond and Debenture Corporation of Canada, Winnipeg, on a bid of 100. The bids were:

| | |
|---|---|
| Bond & Debenture Corp. | 100.00 |
| Wood, Gundy & Co. | 99.80 |
| MacKay-MacKay | 99.10 |
| McNeil, Graham & Co. | 99.03 |
| McLeod, Young and Weir | 98.09 |
| Dyment, Anderson and Co. | 98.00 |

B.C. FISH
Yields 7½%

With net earnings in 1925 of better than $10.00 per share, no bonds or preferred shares, strong financial position and interesting outlook, we regard B.C. Fishing as attractive at current levels where $5 dividend basis gives a yield of 7½%.

*Further particulars upon request.*

F. R. GRAHAM & CO.
MEMBERS TORONTO STOCK EXCHANGE
293 BAY ST. ~ TORONTO 2

### BOND MOVEMENTS OF THE WEEK
Week Ending February 23

| | Int. Rate | Due | Yield | Range 1925 High | Range 1925 Low | Range 1926 High | Range 1926 Low | Ask | Latest Price Bid | Latest Price High | Latest Price Low |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Asbestos | 5 | 1942 | 5.40 | 99 | 80¾ | 97 | 92 | 95½ | .. | 95½ | .. |
| Can. Canners | 6 | 1950 | 6.38 | 96¼ | 90 | 95½ | 94 | 95½ | 95 | 95¼ | 94⅞ |
| Can. Cottons | 5 | 1940 | 5.49 | 96 | 91½ | 95 | 95 | 96 | .. | 95 | .. |
| Dom. Coal | 5 | 1940 | 6.24 | 90 | 84⅝ | 88 | 88 | 89½ | 87½ | 88 | .. |
| Montreal Tram. (A) | 5 | 1955 | 5.44 | 98¾ | 92¾ | 93½ | 92½ | 93⅝ | 93 | 93½ | 93 |
| Montreal Trams | 5 | 1941 | 5.20 | 98 | 94⅞ | 97¾ | 97¼ | 98¼ | 97¼ | 97¾ | .. |
| Quebec Rly. | 5 | 1939 | 5.62 | 98 | 89¾ | 94 | 91⅞ | 95 | .. | 93⅞ | 93¾ |
| Riordon | 6 | 1929 | 6.00 | 100½ | 93½ | 100 | 100 | 101 | 100½ | 100 | .. |
| Sher.-Williams | 6 | 1941 | 5.43 | 104 | 101¼ | 106 | 105¼ | .. | 105 | 106 | .. |
| Sao Paulo | 5 | 1929 | 6.07 | 95 | 91 | 96¼ | 95½ | .. | 95 | 96¼ | .. |
| Steel of Can. | 6 | 1940 | 5.27 | 106 | 103 | 107½ | 106 | 107½ | 107 | 107½ | 107¼ |
| Wayagamack | 6 | 1951 | 6.31 | 98¼ | 84¾ | 96¾ | 92 | 96 | 95¼ | 96 | 95¼ |
| Winnipeg Elec. | 5 | 1935 | 5.66 | 95½ | 91 | 96 | 95⅛ | 95⅛ | .. | 95⅛ | .. |
| War Loan | 5 | 1931 | 4.55 | 102.65 | 101.10 | 102.40 | 101.80 | 102.45 | 102.35 | 102.30 | 102.05 |
| " " | 5 | 1937 | 4.52 | 104.95 | 103.80 | 104.60 | 103.85 | 104.65 | 104.55 | 104.45 | 104.25 |
| Victory Loan | 5½ | 1927 | 4.10 | 103.15 | 101.70 | 102.40 | 101.85 | 102.45 | 102.35 | 102.30 | 102.00 |
| " " | 5½ | 1933 | 4.52 | 107.00 | 105.10 | 106.80 | 105.10 | 106.35 | 106.25 | 106.80 | 105.95 |
| " " | 5½ | 1934 | 4.94 | 104.80 | 103.20 | 104.10 | 103.20 | 104.10 | 104.00 | 104.05 | 103.75 |
| " " | 5½ | 1937 | 4.50 | 110.00 | 108.15 | 109.30 | 108.55 | 109.35 | 109.25 | 109.30 | 109.00 |
| " Refund | 5 | 1928 | 4.55 | 104.45 | 100.15 | 101.30 | 100.55 | 101.05 | 100.95 | 101.30 | 101.10 |
| " " | 4½ | 1940 | 4.80 | 97.25 | 92.20 | 96.70 | 96.30 | 96.60 | 96.50 | 96.70 | 96.50 |
| " " | 5 | 1943 | 4.83 | 102.90 | 101.15 | 101.95 | 101.40 | 101.85 | 101.75 | 101.95 | 101.65 |
| " " | 4½ | 1944 | 4.74 | 97.75 | 96.20 | 97.15 | 96.25 | 96.85 | 96.75 | 96.90 | 96.70 |
| " Renewal | 5½ | 1927 | 4.70 | 102.95 | 100.80 | 101.80 | 101.20 | 101.70 | 101.60 | 101.80 | 101.55 |
| " " | 5½ | 1932 | 4.94 | 104.20 | 102.65 | 103.40 | 102.65 | 103.45 | 103.35 | 103.25 | 103.10 |

## WEEKLY RECORD OF CANADIAN FINANCING

| Place | Date | —Sold To— | Rate | Maturity | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Bond Sales— | | MUNICIPAL | | | | | |
| Fort Frances | Feb. | Bond & Debenture Corp., Winnipeg | 5½% | 1946 | $75,000 | 100 | 5.50 |
| Quebec, West, Que. | Feb. | Bray, Caron & Dube | 5% | 1941 | 42,000 | 95.89 | 5.62 |
| | | GOVERNMENT | | | | | |
| Dom. of Canada | Feb. | Bank of Montreal and Syndicate | 4½% | 10-yr. | 65,000,000 | 97 | 4.78 |
| Dom. of Canada | Feb. | Chase Securities and Syndicate, New York | 4½% | 10-yr. | 40,000,000 | 98¾ | 4.65 |
| | | CORPORATION | | | | | |
| Mountain View Apts. | Feb. | Dickson, Jolliffe & Co. | 7% | 1946 | 300,000 | 100 | 7% |
| Mortgage Finance Corp. | Feb. | Mortgage Exchange | 7½% | 1941 | 1,500,000 | ... | ... |
| Stock Issues— | | | | | | | |
| Humberstone Shoe Co. | Feb. | McLeod, Young, Weir & Co. | 8% | Pref. | 300,000 | 100 | 8% |

## RELIEF TO STEEL INDUSTRIES SEEN IN TARIFF RULING

(Continued from page 1)

ment is enforced. It is common knowledge that certain of the Canadian glass producing plants have been closed for some time as a result of inability to compete with Belgian glass. Our imports of these products from Belgium during the past fiscal year, amounted to $1,877,000.

In the case of the textile industries, and especially woollens, the new tariff ruling is expected to be of material benefit to Canadian business as well as giving British manufacturers an added preference on goods exported to this country. During calendar year 1925 more than $3,093,866 worth of woollen and knit goods were imported from France. This represents goods shipped on a through bill of lading but does not include French goods shipped to Canada through other countries. Since the French franc is depreciated more than 80 per cent. it is evident that the French producers have an unfair advantage.

That there is an emergency in connection with the protection of our textile producers is seen from the attitude of the British Government on the same question. Recently the British Board of Trade appointed a commission of enquiry to investigate the recent application of British manufacturers for a tariff of 33 1/3 per cent. on hosiery and knit goods of cotton and wool imported into Great Britain, to safeguard these industries against foreign competition. While no decision has yet been made public, with regard to this, or similar requests, a quickening in the purchase of supplies and raw materials is taken as an indication that a duty of 33 1/3 per cent. will shortly be placed on woollen and worsted cloth.

### EDMONTON TAX RATE

A tax rate of 44.35 mills was struck by the commissioners of the city of Edmonton, and approved by the council for the coming year. This is a material reduction from that of last year which was 46 mills, and means a cut of $142,000 in the levy on property. There is a reduction in the amount levied for general municipal purposes of $400,000, but this is largely offset by the increased amount needed to take care of bond redemption during 1926, viz., $323,000.

### METROPOLITAN STORES BUY IN OTTAWA

OTTAWA.—Negotiations for the sale of the Arcade Building and property situated on Sparks St., to the Metropolitan Corporation, Ltd., have been completed. The price is said to be $200,000. The Metropolitan Corporation is the holding company for Metropolitan Stores, Ltd., and the building will be occupied by the Ottawa business of this company.

Investment and Speculation

As dealers in High-Grade Bonds, we serve investors to whom speculation is undesirable, or for whom it would be unwise.

As members of the Toronto Stock Exchange, we serve clients who wish to buy stocks and shares either as an investment or as a speculation.

We try not to confuse these functions either in a client's mind or in the conduct of this business.

*Inquiries invited*

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO
*Members Toronto Stock Exchange*

2 Reasons

TWO reasons for investing through us—one is our reputation for square dealing, and the other our alertness in watching for opportunities for you.

*"Invest with Safety"*

W. M. WILSON, *Pres.* C. MORRISON, *Treas.*

DOMINION FINANCIAL CORPORATION, Limited.

232 St. James St., Montreal
Telephone MAIN 5412

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& Company
Stock and Bond Brokers
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Montreal Stock Exchange
17 St. John Street
Montreal, Que.

CANADIAN PACIFIC
To return about 6.36%

*Recent improvement in business conditions in Canada is likely to favorably affect the earnings of this company.*

*Considering the high investment status of the common stock, the return at present level is attractive.*

*We shall be glad to supply on application copy of a special analytical circular descriptive of this security.*

McCUAIG BROS. & CO.
MEMBERS
MONTREAL STOCK EXCHANGE
190 St. James Street,
Montreal

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*Inquiries Solicited*
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Canada Permanent Bldg., St. John, N.B.
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HOUSSER, WOOD & CO.
LIMITED
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*We recommend*
PUBLIC UTILITY BONDS
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180 St. James St. Montreal
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7% UNITED FIRST MORTGAGE BONDS

A Sustained Investment Service

The selling of first mortgage real estate bonds is only a part of our business.

Before that, we select the property that secures them; place upon it our own conservative appraisal; search the title; surround the trust mortgage with every known legal safeguard.

Following that sale, we continue to inspect the upkeep of the property, maintain insurance, and collect the monies due until the last bond is paid.

*Write us for full particulars.*

UNITED BOND CO. LIMITED
Toronto Windsor
297 Bay Street Imperial Bank Bldg.

Our Trading Department

At all times we are prepared to submit satisfactory bids for the purchase, in odd lots, of Canadian Government, Municipal and high-grade Corporation Bonds.

The following, amongst others, are securities for which our market facilities will be found most dependable: Quebec Power 6's 1953, Quebec Railway 5's 1939, Mont. Tramways 5's 1941 and 5's 1955, Duke-Price-Power 6's 1949, Belgo Paper 6's 1943, Bell Telephone 5's 1955, Wayagamack 6's 1951 and 6½'s 1930.

*Enquiries invited*

RENE-T. LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 74, St. Peter St.
(ESTABLISHED 1901)
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CREDIT - CANADA
*Limitée*

Investment Bankers
Insurance

120 St. James St.,
Montreal
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*Write for our list of RECOMMENDED INVESTMENTS*

The Investor—
Published monthly and sent gratis to interested inquirers by
McLEOD, YOUNG WEIR & CO.
Limited
Metropolitan Building,
TORONTO
MONTREAL OTTAWA
HAMILTON LONDON

Investment Isn't Speculation

Be sure you are not speculating when you invest. The difference is not always understood.

If in doubt—don't—is a safe rule to follow when investing.

F. H. Deacon & Co.
227 Bay St., • Toronto

*We offer*—
DOMINION OF CANADA
Refunding Loan 1926
20 Year 4½% Bonds
Dated February 1st, 1926 Due February 1st, 1946
PRICE: 97 and Accrued Interest
Municipal Bankers Corporation
LIMITED
34 King Street, East. Toronto

# *Insurance for Buyer and Seller*

## WHEN FIRE STOPS OPERATIONS, LOSS CAN BE INSURED

### Business Interruptions Can be Covered by "Use and Occupancy"

Fire insurance does not cover all the losses that are incurred when a factory is damaged or destroyed by fire. Fire insurance provides the money to rebuild burned buildings; repair or replace damaged machinery, tools and equipment; to reimburse the owner for destroyed stock, both raw, finished and in process of manufacture. But fire causes other losses not so apparent as these, that may amount to even more than the actual destruction of property. The majority of these losses are covered by what is generally called "use and occupancy insurance." Some companies call it "business interruption insurance."

The physical value of a plant is usually covered by fire insurance, but a loss resulting through inability to operate during a period of rebuilding and replacement is often a more serious matter as operating income is shut off, fixed expenses continue, surplus is depleted, preferred stock dividends accrue, common stock dividends are of necessity passed and sometimes receivership follows. There is good reason to consider it a short-sighted and unbusiness-like policy on the part of any firm or institution conducting an enterprise for profit to fail to protect the business and stockholders against such a real contingency where this insurance can be provided at a small cost. That it is a small cost is shown by the fact that frequently the amount of premium does not exceed the per diem loss.

A comparatively small fire, possibly confined to the power plant or any other vital unit, will often cause the entire plant to close down temporarily. Fires are always unfortunate for a going concern, usually occurring in a busy period when operating to full capacity while men and machinery are at high working pressure and profits are largest.

To be put out of business is serious enough, but in addition there is the necessity of holding the organization together and of retaining on the payroll department heads, foremen and skilled workmen in order to be prepared to start again when reconstruction is completed and to avoid the loss of these men to competitors.

Use and occupancy insurance can be made to cover many items. For example, interest on bank loans and bond issues must be paid whether this borrowed money is helping to produce anything or not.

Taxes, Dominion, state, and municipal, come due even though no wheels be turning in the factory.

It is impossible, when a factory burns down, to cut off all salaries. The sales force, the office force, and important members of the production department must be continued on the payroll, if the manufacturer is not to be faced with the problem of building up a new organization when he is ready to resume operations.

Raw materials of a perishable nature, contracted for before the fire, where on storage but not damaged by the fire, must be promptly sold under the best obtainable terms, and this is often below cost.

Insurance premiums must continue to be paid.

Advertising contracts cannot or should not be terminated and must be provided for.

Rent, leases, royalties, etc., continue despite the fire.

All of these things can be covered by use and occupancy insurance, and, in fact, profit can be so insured that dividends need not be passed during the months a business is struggling to its feet again.

Use and occupancy insurance on factory risks can be arranged to provide for the payment of these continuous fixed charges and net profits during the period that operations must be suspended as a result of the fire, providing that these charges and net profits would normally have been earned had not the fire occurred.

**The Amount to be Carried**

To determine how much should be carried, the net profit and the overhead that would have to be maintained in case of a loss should be computed over a period of 30, 60 or 90 days previous to the date of the policy, this figure divided by the number of days used (30, 60 or 90) and that result multiplied by the number of working days in the year—say 300—or if the nature of the business is such as to operate every day in the year, multiply the daily result by 365. The final result will be the amount of insurance that should be carried.

This would be the procedure for estimating the insurable amount of a business the earnings of which are fairly continuous with little fluctuation during the year.

The method of computing the amount of insurance to be carried differs in a fluctuating business. Here the profits and overhead for the preceding year by days or months or seasons would be named and their sum would be the amount of insurance.

In a seasonal business a total of the net profit and overhead for the operating season for the previous year would be the proper amount of insurance to carry.

**Example to Show Procedure**

While most plants could be reconstructed within one year, there are exceptional properties which would require more than one year to restore and for such risks use and occupancy insurance should be maintained to the extent of net profits plus fixed expenses over estimated period of reconstruction and the fraction limiting per diem recovery should be correspondingly reduced. Example: Properties requiring 15 months to replace should carry insurance in the sum of 15 months' net profits plus fixed expenses and the limit of recovery per diem for total prevention should be expressed as 1/375.

If requiring 18 months to replace, insurance should be increased to that basis and per diem limit made 1/450.

These examples consider operating basis of 300 days per annum.

Where the property is in continuous operation, such as electric light and power stations, for which on an annual basis the per diem loss would be 1/365 of the total insurance, it would be necessary, if insured for a term exceeding one year, to reduce the fractional amounts accordingly.

**Premium Rates Not High**

The premium rate is not low, yet is reasonable for the service provided. It depends upon the type of risk and the coverage provided.

Not every manufacturing risk is eligible for this protection. Only prosperous companies with years of good experience and high financial standing are even approached by the companies.

## Insurance Personals

E. S. Brown, of Toronto, recently appointed agency supervisor of the Crown Life Insurance Co., was in Winnipeg last week in connection with extension plans for the Manitoba division.

* * *

Owing to increasing business, the office space of the Manufacturers' Life at Winnipeg is now insufficient, and P. A. Wintemute, Winnipeg district manager, announces extensive alterations that will considerably enlarge the present premises.

* * *

F. W. Hewitson, who has recently taken over the management of the London Life industrial branch at Ottawa, entered the service of the company in 1910 and has spent his entire life insurance career with it. He moves to Ottawa from Orillia where he was city manager.

* * *

N. N. Montray, retiring city manager of the London Life at Hamilton, is one of the company's veterans, having joined the field staff in Sarnia in 1895 and been continuously in the company's employ ever since. He was appointed city manager in Hamilton in 1904. He received the twenty-five year vetern pin in 1920.

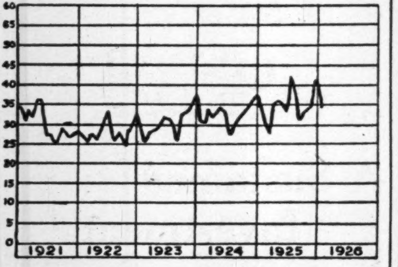
The United States Fire Insurance Co. has been given a license to transact the business of inland transportation insurance and property damage insurance in addition to the classes for which it is already licensed.

## *January Life Sales Showed Increase of Fifteen Per Cent.*

Ten per cent. more ordinary life insurance was purchased in Canada during the month of January than in January, 1925, according to figures issued by the Life Insurance Sales Research Bureau of Hartford, Connecticut. During the month $33,907,000 of new business was delivered and paid for by the reporting companies, which have in force 84 per cent. of the outstanding business in Canada. This is an increase of $3,069,000 over the sales in January of last year.

There is a wide variation in the records of the provinces, practically every province in the Dominion sharing in the general gain for the month. The increases range from 13 per cent. in Ontario to 37 per cent. in Prince Edward Island.

Improving business conditions in the West are reflected by the records of British Columbia with a gain of 24 per cent., Alberta with a gain of 19 per cent., Saskatchewan with a gain of 26 per cent., and Manitoba with a 24 per cent. gain. In the East, Ontario had a gain of 13 per cent. and Prince Edward Island had the record gain of 37 per cent.



The records of the various cities vary rather widely. Improvement is most noticeable for January in Toronto, which shows a 23 per cent. gain. Vancouver follows closely with a 22 per cent. gain.

The increase in the twelve months ended January 31, 1925, over the preceding twelve months is 9 per cent. Every province with the exception of New Brunswick shares in the gain.

## Automobile Rate Case Ordered to be Re-heard

The Appellate division of the Supreme Court has handed down judgment on the appeal of the General Accident Co., from the order of Superintendent Foster with respect to discrimination in the automobile insurance rates of the company in Hamilton. The appeal was allowed and the case remitted to the superintendent for trial. It is assumed that, in accordance with the judgment, the full re-hearing of the case in the near future may be anticipated.

## Auto Premiums in Canada

Editor, The Financial Post:

Sir.—In giving a list of the "Five largest Canadian Companies" in your issues of 12th and 19th February you omitted the names of the two largest Canadian companies transacting automobile insurance, namely, the British American Assurance Co., incorporated in Toronto in 1833.

Automobile premiums 1924 .. $ 151,020
Automobile premiums 1925 .. 293,347

Assets over 3,500,000 and also the Western Assurance Company incorporated in Toronto in 1851:

Automobile premiums 1924 .. $ 151,133
Automobile premiums 1925 .. 290,293

Assets over 6,000,000.

Yours sincerely,
C. S. WAINWRIGHT,
Assistant General Manager.

The original inquiry asked for the names of the five companies doing the largest automobile insurance in Canada—not the five largest Canadian companies.—Editor.

### LONDON LIFE CHANGES

W. W. Richman, city manager of Peterborough for the London Life, has been moved, to Orillia, following the transfer of Mr. Hewitson to Ottawa, and given charge of the district composed of Orillia, Barrie, Peterborough and Lindsay. Midland, under T. L. McEachren, and North Bay, under D. H. McKee, heretofore connected with the Orillia district, are now detached superintendencies. Oshawa, under J. E. Whitfield, formerly part of the Peterborough district, is now part of one of the Toronto districts. H. Dean, of Paris, is now superintendent of the Stratford and St. Mary's territory. Other changes recently announced include the appointment of E. L. Ackerman as city manager, Hamilton, and T. F. Connors as his successor in Toronto.

## Winnipeg Underwriters Hear Research Bureau Manager

WINNIPEG. — John M. Holcombe, manager of the Life Insurance Sales Research Bureau of Hartford, Conn., in addressing the local Life Underwriters' Association at a banquet in the Marlborough Hotel on the subject of raising life insurance writing to the highest peak of efficiency, stressed the value of time, pointing out that it was the greatest asset of the underwriters, and controlled by themselves alone. The life underwriter has no one to keep tab on his time except himself, he said, and, therefore, must guard it jealously. Another great factor for success is faith. the speaker said. If the writer convinces himself that he is doing his prospect a favor when he gets him to sign a policy application, he will find that he will do better.

Mr. Holcombe explained some of the fine points of the business, and urged his listeners to adopt a certain daily plan, and to carry out their work strictly in accordance with it. A great factor in this plan should be time spent in the actual presence of the prospect, since that is the only place where selling is done.

C. O. Ferguson, general manager of the Great West Life, spoke a few words dealing with the work of the bureau with which Mr. Holcombe is identified. R. J. Davis, president of the Life Underwriters' Association, presided, and introduced the speaker.

### INSURANCE LICENSES

The Department of Insurance at Ottawa has issued a license to the Citizens' Insurance Company, of Missouri, authorizing it to transact in Canada the business of fire insurance, hail insurance, sprinkler leakage insurance, tornado insurance and insurance against damage to property of any kind caused by the explosion of natural or other gas.

A license has been issued by the Department of Insurance at Ottawa to the New Jersey Insurance Co. to transact the business of tornado insurance in addition to the classes for which it is already licensed.

### NEW RECORD FOR EGG PRODUCTION

OTTAWA.—Canada's egg output during 1925 amounted to 224,778,867 dozen, valued at $57,950,340, being the highest both in regard to quantity and value recorded since 1920, according to a report of the Bureau of Statistics.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

Insurance
OF ALL KINDS
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The
ONTARIO EQUITABLE
Life and Accident
Insurance Company
S. C. TWEED, President
Head Office
WATERLOO, ONT.
Assets over $2,000,000

THE MONARCH LIFE
IS A
GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon.
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COUPON SAVINGS (20-PAY LIFE)
AGE 30, ANNUAL DEPOSIT $184.00.
Benefits—$5.000 for natural death. $10.000 for accidental death. $50 a month for total and permanent disability with all future premiums paid by Company and $5.000 paid dependents at your death.
$24.75 in dividends at the beginning of second yerr and increased dividends every year thereafter.
Ask your nearest Northern Life Agent about this attractive plan, or write our Home Office.
The NORTHERN LIFE
ASSURANCE COMPANY OF CANADA
LONDON, ONTARIO — ESTABLISHED, 1897

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — ALEX. STEWART, Treasurer

Northwestern Mutual Fire Association
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA, HAMILTON, ONTARIO
THE NORTHWESTERN MUTUAL
Is now returning annually in dividends to its policyholders over $1,000,000.
Writing Fire Insurance at Cost. Assets $2,604,266.13.
Norman S. Jones, Manager for Canada. R. J. Mahony, Associate Manager.
All Policies dividend paying and non-assessable.

*Are You Ready for To-morrow?*
Being ready means that your house is insured against loss by fire, your furniture and belongings against loss by fire or theft, your car against fire, theft or accident, and your business protected against fire and loss of profits by "business interruption" insurance.
You can secure policies from this Company's Agents to protect all your possessions from loss in any form.
The Western Assurance Company of Toronto
Established 1851

The Sure Shield
If you die, can your family live? Consult the Dominion Life Representative today and assure your family's protection against Fate.
188
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Head Office: WATERLOO, Ontario

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Head Office: Hamilton, Ont.
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Insure Their
HAPPINESS
That priceless possession — an easy mind — is the immediate reward of insuring the happiness of your dependents against the day when you can no longer help them with your living presence.
Protection with Profit
Great-West Life Assurance Company
34

The Commercial Life
Continues to make splendid progress

| | |
|---|---|
| Business in Force Increased | 7.85% |
| Premium Income Increased | 22.90% |
| Total Income Increased | 20.55% |
| Reserves Increased | 29.72% |
| Assets Increased | 24.82% |

85% of the Company's investments are in Government and Municipal Bonds and School Debentures on which payments of interest and repayments of principal, whenever due, have been very promptly made. The other 15% are in carefully selected first mortgages.

| | |
|---|---|
| Interest Earnings Increased | 34.76% |
| Interest Earned | 7.66% |
| Mortality Experience | 27.20% |

| Year | Business in Force | Assets | Policy Reserves | Premium Income | Total Income | Interest Earned |
|---|---|---|---|---|---|---|
| 1918 | $184,000 | $71,905 | $11,825 | $5,578 | $11,278 | $3,501 |
| 1920 | $723,000 | $109,699 | $20,763 | $22,586 | $53,444 | $7,449 |
| 1922 | $3,920,359 | $229,725 | $123,938 | $89,368 | $143,787 | $12,568 |
| 1924 | $5,754,629 | $400,866 | $312,463 | $156,998 | $195,791 | $18,336 |
| 1925 | $6,206,545 | $500,372 | $405,338 | $192,944 | $236,018 | $24,710 |

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Vice-Presidents E. W. Allin, Esq., M.D., C.M., Edmonton; Sheriff L. G. Calder, Saskatoon.
Managing Director, J. W. Glenwright, Esq., Edmonton.
Secretary E. B. H. Shaver, Esq., Edmonton.
Medical Referee E. W. Allin, Esq., M.D., C.M., Edmonton.
Consulting Actuary C. C. Sinclair, Esq., F.A.S., Winnipeg.

BOARD OF DIRECTORS:
W. T. Henry, Esq., W. W. Prevey, Esq., W. J. Stark, Esq., H. W. B. Douglas, Esq.; J. W. Glenwright, Esq., R. H. Cautley, Esq., E. W. Allin, Esq., W.D., C.M., Edmonton; Sheriff L. G. Calder, Esq., Saskatoon; W. Fletcher Bredin, Esq., Grande Prairie; George H. Hutton, Esq., Calgary; F. O. Hodgson, Esq., Vancouver. There is a splendid opportunity in the business of Life Insurance for reliable and energetic men. The Commercial Life is developing rapidly and soundly. Applications for agency representation throughout Alberta and Saskatchewan and appointments to our full-time field force will be gladly received by the Head Office or by Mr. Thomas Murphy, Manager, 411 Canada Bldg., Saskatoon, Sask., or by Mr. John Nursall, Manager, 511 McCallum Hill Bldg., Regina, Sask.

THE COMMERCIAL LIFE ASSURANCE CO. OF CANADA
Sound as the Dominion

# Current Events in Banking World

## STANDARD BANK SHOWED GROWTH DURING THE YEAR

### Assets, Current Loans and Profits Were on Larger Scale

Improved business conditions were experienced by the Standard Bank of Canada during the year ending January 31st, as indicated by the fact that current loans increased by more than $2,000,000 and this improvement found reflection in profits, which totalled $773,823, as compared with $688,682 for 1924 and $695,095 for 1923. Substantially increased taxes were paid and the provisions for pensions enlarged. Dividends at the rate of 12 per cent. were paid and the balance increased from $151,109 to $207,891. Following are comparative figures:

**Profit and Loss**

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Profits .. .. .. .. | $773,823 | $688,682 | $695,095 |
| Pension .. ..... | 35,000 | 25,000 | 25,000 |
| Taxes ... ..... | 55,000 | 50,000 | 55,000 |
| Tax on cir. .... | 48,234 | 40,000 | 40,000 |
| | $138,234 | $115,000 | $120,000 |
| | $635,589 | $573,682 | $575,095 |
| Dividends .. .. | 578,808 | 488,234 | 520,000 |
| Reserve .. ..... | ....... | 150,000 | ....... |
| | $ 56,781 | d$64,552 | $ 55,095 |
| Bal. forward .. | 151,110 | 215,661 | 160,566 |
| Balance .. .... | $207,891 | $151,109 | $215,661 |

d—Debit.

**Twelve Year Record**

| Year | Earnings | xRate Rest | % on Cap. | Div. |
|---|---|---|---|---|
| 1925 .... .... | $773,823 | 10.03 | 16.05 | 12 |
| 1924 ... ..... | 688,682 | 8.92 | 16.96 | 12 |
| 1923 ... ..... | 695,095 | 10.37 | 17.37 | 13 |
| 1922 ... ..... | 728,074 | 8.09 | 18.20 | 14 |
| 1921 ... ..... | 725,014 | 8.05 | 18.12 | 14 |
| 1920 ... ..... | 784,369 | 9.11 | 20.63 | 14 |
| 1919 ... ..... | 776,310 | 9.70 | 22.17 | 13 |
| 1918 ... ..... | 697,443 | 8.71 | 19.91 | 13 |
| 1917 .. ...... | 649,546 | 8.21 | 19.08 | 13 |
| 1916 .. ...... | 580,230 | 7.63 | 17.59 | 13 |
| 1915 ... ..... | 563,401 | 8.04 | 18.78 | 13 |
| 1914 ... ..... | 621,403 | 9.22 | 21.28 | 13 |

xOn capital and rest.

In view of the absorption of the Sterling Bank of Canada, which was effected during 1924, it is interesting to compare the earnings of recent years on the basis of paid up capital. During 1923, when the paid up capital amounted to $4,000,000, the profits represented 17.73 per cent. During 1924, when the average paid up capital was increased, the showing was 16.96 per cent. on the average on which dividends were paid. During 1925 the showing was 16.05 per cent. on the larger paid up capital of $4,823,400. In all cases there was a substantial margin of earnings over the 12 per cent. dividend paid.

### Assets Increased

The bank's total assets increased by over $3,000,000 to a total of $86,559,055.

**IMMEDIATELY AVAILABLE LIQUID ASSETS**

| | 1925 | 1924 | Change |
|---|---|---|---|
| Specie | $ 599126 | $ 1,041,735— | $ 442,609 |
| Dom. notes | 8,720,542 | 8,527,541+ | 193,001 |
| Note cir. dep. | 258,000 | 273,000— | 15,000 |
| Notes, bk. | 461,939 | 523,927— | 61,988 |
| Bank bal. | ......... | 100,000— | 100,000 |
| Do., ab'd. | 852,990 | 1,101,039— | 248,049 |
| Gov. secs. | 12,232.586 | 14,382,293— | 2,149.707 |
| Cheques | 3,573,987 | 2,859,218+ | 714,769 |
| Gold res. | 1,300,000 | 1,100,000+ | 200,000 |
| Call loans ab'd. | ...... | 300,00— | 300,000 |
| For. curr. | 34,342 | 41,826— | 7,484 |
| | $28,033,512 | $30,250,579— | $2,217,067 |
| % total assets | 32.3 | 36.2 — | 3.9 |
| % total liab. to public | 35.7 | 40.0 — | 4.3 |
| **Other Assets** | | | |
| Public secs. | $ 3,650,698 | $ 3,148,198+ | $ 502,500 |
| Other secs. | 1,880,819 | 450,475+ | 1,430,344 |
| Call loans | 7,883,825 | 6,469,330+ | 1,414,495 |
| Current | 38,250,847 | 36,077,031+ | 2,173,816 |
| Mortgages | 177,421 | 166,356+ | 11,065 |
| Lets of cred. | 357,057 | 311,201+ | 45,856 |
| Real Estate | 297.123 | 275.323+ | 21,800 |
| Premises | 3.744,777 | 3,752,051— | 7,274 |
| Mun. loans | 1,498,274 | 1,798,201— | 299,927 |
| Non-curr. lo'ns | 609,804 | 741,699— | 131,895 |
| Other assets | 174,898 | 80,376+ | 94.522 |
| | 58,525,543 | 53,270,241+ | 5,255,302 |
| Tot'l assets | $86,559,055 | $83,520,820+ | $3,038,235 |
| **Liabilities to Public** | | | |
| Circulation | $6,082,760 | $ 5,787,229+ | $ 295,531 |
| Dem. depos. | 14.221,930 | 11,383,938+ | 2,837,992 |
| Savings | 54,210,114 | 52,048,439+ | 2,161.675 |
| Due banks | 159,977 | 67,219+ | 92,758 |
| Due else | 2,171,760 | 2,274,920— | 103,160 |
| Lets. of cred. | 357,057 | 311,201+ | 45.856 |
| Dep. by b'nks | 1,017,626 | 1,000,988+ | 16,638 |
| Bills pay. | ........ | 2,789— | 2,789 |
| Advances | ....... | 2,300,000— | 2,300,000 |
| Other liab. | 261,183 | 323,762— | 62.579 |
| | $78,482,407 | $75,500,485+ | $2,981,922 |
| **To Shareholders** | | | |
| Capital | $4,823,400 | $ 4,823,400 | $........ |
| Reserve | 2,900,000 | 2,900,000 | ........ |
| Dividends | 145,356 | 145,825— | 469 |
| Balance | 207,892 | 151,100+ | 56,782 |
| | $ 8,076,648 | $ 8,020,335+ | $ 56,313 |
| Total liab. | $86,559,055 | $83,520,820+ | $3,038,235 |

Interest-bearing deposits increased by over $2,000,000 during the year to $54,210,113; non-interest-bearing deposits were nearly $3,000,000 larger at $14,221,930. Total deposits amounted to $68,432,044, which compares with $63,432,377 at the end of the preceding year. The reserve fund stands unchanged at $2,900,000. Total liabilities amount to $86,559,055, as against $83,520,820.

Call and short loans in Canada increased during the year by over $1,400,000 and were shown at $7,883,825 in the current report. Holdings of Dominion and Provincial bonds decreased by slightly less than $1,150,000. Holdings of municipal and other securities increased by over $500,000 to $3,650,697. Railway and other bond and stock holdings were placed at $1,880,819, an increase of about $1,400,000 during the year. Loans to cities, municipalities, etc., amount to $1,798,201, an increase of $300,000. Other current loans decreased by over $2,000,000 to $36,077,030.

## Weekly Bank Clearings

(In comparison with the same week last year)

**EASTERN CITIES**

| | Feb. 19, 1925 | Feb. 18, 1926 |
|---|---|---|
| Halifax ............ | $ 2,816,724 | $ 2,492,104 |
| St. John ............ | 2,432,890 | 2,633,126 |
| Moncton ............ | 657,661 | 623,783 |
| Quebec ............ | 4,550,289 | 3,579,326 |
| Sherbrooke ............ | 751,273 | 575,723 |
| Montreal ............ | 92,379,438 | 101,055,298 |
| Ottawa ............ | 5,447,476 | 5,840,440 |
| Kingston ............ | 570.891 | 541,918 |
| Peterboro ............ | 758,007 | 571,701 |
| Toronto ............ | 84,942,111 | 95,389,351 |
| Hamilton ............ | 4,090,925 | 4,274,361 |
| Brantford ............ | 717,124 | 1,029,697 |
| London ............ | 3,454,410 | 2,247.512 |
| Kitchener ............ | 913,374 | 994,136 |
| Windsor ............ | 2,696,789 | 4,180,903 |
| Total, East. ...... | $206,179.382 | $226,029,419 |

**WESTERN CITIES**

| | Feb. 19, 1925 | Feb. 18, 1926 |
|---|---|---|
| Fort William ......... | $ 667,041 | $ 646,939 |
| Winnipeg ............ | 40,167,466 | 36,617,322 |
| Brandon ............ | 559,693 | 393,552 |
| Regina ............ | 3,069,122 | 2,584,851 |
| Moose Jaw ......... | 961,509 | 913,015 |
| Saskatoon ............ | 1,345,123 | 1,509.454 |
| Prince Albert ......... | 325,870 | 328,392 |
| Lethbridge ......... | 404,299 | 502,628 |
| Calgary ............ | 5,818.065 | 6.968,717 |
| Edmonton ............ | 3,739,281 | 5,712.514 |
| Medicine Hat ....... | 250,139 | 229,489 |
| New Westminster ... | 571,572 | 621,797 |
| Vancouver ......... | 14,021,000 | 15,133,532 |
| Victoria ............ | 1,984,000 | 1,803,602 |
| Total, West. ...... | $73,885,180 | $73,965,804 |

## To What Use Will Borrower Put Money Secured From Bank?

### That is an Important Question for the Manager to Consider After He is Satisfied With the Collateral Security Offered

With savings deposits representing the largest surplus over current loans of any period in Canadian banking history, the banks are more concerned with making profitable loans on sound security than they are with securing further deposits. This means that the activities of the bank managers in many of the business communities throughout Canada are being directed in quite a different direction to what they were not so many years ago.

Discussing the basis on which loans should be made, a writer in the Bankers' Magazine takes up the very interesting question of character as an asset or liability of the prospective borrower. This boils down to the question: What use will the borrower make of the money he is getting from the bank? Managers will find much to interest them in this writer's conclusions.—J.W.T.

The analysis of the proposed loan will include a consideration of the use to which the proceeds of the loan will be devoted. Many a loan which, from the viewpoint of the borrower's assets, does not measure up to high standards will be commended by the use the borrower will make of the funds. More frequently, loans will be offered which fairly meet the requirements as to borrower's assets and personal qualities, but the use to which the borrower will put the funds may not meet banking requirements. The emphasis to be placed on the purpose of the loan is determined by how well the loan is secured, or what relation the value of the borrower's assets bears to the amount of the loan. The use to which the borrower will put the proceeds of the loan is a controlling consideration in unsecured loans in such cases as the following:

1. Where the applicant's assets are not sufficient to afford necessary strength to the proposed risk.
2. Where the applicant's assets meet reasonable requirements, but are not connected with or related to the purpose for which credit is sought.
3. Where the assets are sufficient in value, but are wholly exempt.
4. Where indebtedness subsequently incurred by the borrower, will rank equally with the bank's claim.
5. Where the payment of the loan largely depends upon the borrower's venture working out successfully.

Unsecured loans upon business ventures which, when made, meet reasonable credit requirements, may become very inferior by reason of taking equal rank with large indebtedness subsequently incurred by the borrower. Bank credit must have a greater security than mercantile credit. A bank collects a small rate of interest per year. There is only one turnover. The margin of profit on a year loan is small. Mercantile creditors, with an equal amount of credit, may sell the borrower many times in each year, receiving a net profit on each turnover far in excess of what the bank receives on a risk running an entire year. The standard of security upon which bank credit must be based must necessarily be higher than prevails in mercantile risks.

Even if the loan is properly secured, if the purpose for which the loan is sought will not stand analysis, it is debatable whether, in the long run, the granting of such credit will work out satisfactorily. It is not sufficient that a bank loan be legally collectible. Loans entitled to the highest rating are those paid by the fruition of the borrower's plans. Every first grade bank loan must have this objective—payment in the usual course by the orderly working out of the borrower's well conceived plans. The provision for payment is a feature which should loom large in the mind of the bank credit man. When the depositors' funds are launched on the sea of business, the itinerary should include a return to the harbor after a voyage which, at the outset, shows no storms or shoals.

To state it in other terms, the credit is the seed; the borrower's well ordered business plans are the necessary fertile soil; this combination should furnish the means whereby with the blossom and fruitage of success, there will be provided the means of payment. The payment of the loan should not be through strain or pressure, but it should be as natural a process as the budding, blossoming and developing of the fruit which, when ripened, is ready to be made use of. The analysis of the purpose to which the borrowed money is to be devoted, is to determine whether this process may be reasonably expected.

### The Borrower's Attitude

Many borrowers resent a discussion of this aspect of a loan. The number which show resentment is fortunately decreasing. More bankers are making the full analysis of credit risks which prudent and conservative bankers have always employed. Where the inquiry is pursued tactfully, in a spirit of helpfulness, very little resentment should be encountered. Many borrowers' objections are based on the feeling that loans should be made upon long association or friendship. This relation usually exists in small communities between the banker and his borrowers. The principle that a banker should know the use to which his depositors' funds will be devoted, is an eminently correct one. Every banker who ignores this principle signally fails in his duty to his depositors. It is a safe principle for every banker to adopt, that no consideration will deter him from obtaining the necessary data required to fully analyze applications for credit. The bankers are merely the depositors' agents in making loans for the depositors. Any banker who does not analyze all the aspects of an application for credit cannot satisfactorily discharge his duties. Where a banker uniformly requires a full presentation of the borrower's position, he must expect some loss of business from over-sensitive borrowers. He may, however, have assurance that over a long course of years this principle will work out to the bank's advantage. The bank credit man must know the principles upon which bank credit may safely be extended, and not depart from these principles. He may have assurance that if he cannot be successful in the banking business on banking principles, it is not likely that he will be successful on any other principles. It is better, where a loan is offered, to make a full analysis and to decline inferior loans and possibly incur the applicant's ill will, than to grant the loan and later lose both the depositors' money and the borrower's good will. Applicants for credit should not be unnecessarily harassed, but the bank credit man must know his ground. A banker may err in being too conservative. To ask for security in loans where credit principles indicate security is not necessary, and to thus cause offense to the borrower, may divert desirable credit business to other institutions. It is difficult, as every credit man will testify, to maintain every hour in every day, a well balanced poise on loan requirements. The credit man may on one loan make unreasonable requirements, and then let down the bars and make an inferior loan. One reason for this is that the bank credit man does not always keep in mind the ruling principles. Too close and unrelenting contact with credit problems, a multitude of small irritations, too much pressure of detail work, lack of harmony with his brother officers and employees, may cause him to lose his balance. He can best maintain this balance by having an adequate conception of the ruling principles of credit well fixed in his mind, and attempting always to carefully and impartially analyze loans from the viewpoint of these principles, and not allowing personal feelings, friendship or long association, or matters entirely outside of the merits and defects of the risk, to direct his judgment.

## Staff Gossip

Guy Smith, Parrsboro, for a number of years a member of the staff of the Canadian Bank of Commerce, has been transferred to the Truro branch.—News, Truro.

* * *

F. M. Bell, teller of the Bank of Montreal, Acton, has been transferred to the branch at Mimico. G. L. Krauter, of Kingston, is his successor.—British Whig, Kingston.

* * *

Frank Gallagher, ledger keeper in the Bank of Montreal, has been transferred to the St. John branch of the bank. J. F. De Freytas, of Halifax, has been transferred here.—Gleaner, Fredericton.

* * *

Thomas W. Mitten, former accountant of the Bank of Nova Scotia in Calgary, has been appointed manager of the new branch being opened at Nanton. — Alberta Farmer and Weekly Herald, Calgary.

* * *

E. B. Nelles, manager of the Arthur branch of the Standard Bank, has been transferred to the Mount Forest branch. Mr. McDougall, of Monkton, will be the new manager at Arthur.—Herald, Alliston.

* * *

The many friends of Donald MacKay, of the Bank of Commerce, will extend congratulations on his promotion to a more responsible position in the Souris, P. E. I., branch of the same institution. Before leaving he was the guest of honor at a party given by friends, when many expressions of the esteem in which he is held were given.—News, New Glasgow.

* * *

Wilford A. Patterson, who for some years has been manager of the Imperial Bank of Canada at Golden, has received a well-merited promotion and goes as manager to South Edmonton. Before going to Golden, Mr. Patterson was the manager of the joint branches of Athalmer and Invermere, and prior to that date was accountant at Cranbrook. —News, Nelson.

* * *

On the eve of his departure for the city of Mexico, where he has been transferred to the superintendent's staff from the Tilbury branch of the Bank of Montreal, Manager Garvie was tendered a reception by about 25 friends, chiefly from the business community of the town. As a tangible expression of friendship and esteem the parting guest was presented with a handsome leather club bag. Deep regret was voiced by the various speakers over Mr. Garvie's departure from town.—Free Press, London.

## Iowa Banks Fail at Rate of One a Day

Bank failures in Iowa last year totalled 613 in number, of which 38 per cent. were banks of less than $25,000 capital, and 30 per cent. were banks whose capital was somewhere between $25,000 and $50,000, according to figures received through treasury sources. Since the first of the year, it was estimated, failures in Iowa banks have continued along at the rate of about one a business day.

Discussing the banking situation in the North West before the members of the Twin City Bond Club, Roy A. Young, governor of the Federal Reserve Bank of Minneapolis, made the following statement in regard to the bank failures in that section of the United States. He said in part:

"The banking situation in the Northwest is cleaned up, in my opinion. One factor in the improvement is the reduction in the number of banks. Five years ago the Northwest had about 4,000, and the district was overbanked to such an extent as to constitute a menace. Now the number is 3,109, more nearly in line with the sound requirements of our people."

## Merchants Prefer the Thursday Bank Holiday

Merchants at Sarnia, Chatham and other points, through the medium of boards of trade, are urging a Thursday afternoon half holiday for the banks instead of Saturday afternoon. The reason for this is obvious. Saturday is always the big day day in Ontario towns and cities. Farmers come in for miles around and many stores do 50 per cent. of the weekly business on Saturdays. The banks close at noon. Merchants and farmers, if they want to use the facilities of the bank, must crowd everything into the morning. So the Bankers' Association will be asked to permit the Sarnia banks to make the change.

Another important reason why many merchants would like to see the change, says Canadian Grocer, is the fact that so much money has to be held over until Monday morning; hundreds of thousands of dollars are lost every year through burglaries. Merchants have been urged to bank their money frequently so that if a raid was made on the cash little would be lost. By keeping the banks open Saturday afternoon it would undoubtedly reduce, to a large extent, the quantity of stolen money, says Canadian Grocer.

### DOMINION BANK

The Dominion Bank announces the following staff appointments: A. M. Bishop, formerly acting manager, Rectory St., London, has been appointed acting manager at Wingham. E. B. Nix, formerly at Bleury St., Montreal, has been appointed accountant at London, Ont.

### HERE FOR ANNUAL MEETING

J. S. Turner, manager of the Winnipeg branch of the Standard Bank, and supervisor of Manitoba branches, is in Toronto for the annual meeting of the institution. Other western officials of the bank attending the meeting, are: F. D. Patterson, supervisor of Alberta and Saskachewan branches; A. H. Watson, manager at Lomond, Alta.; H. L. Allingham, Lethbridge, manager, and W. G. Hoig, Regina manager.

THE CANADA PERMANENT TRUST Co.
20 Toronto St., Toronto
Paid up Capital $1,000,000
Acts as
Executor, Trustee and Agent.
*You are invited to confer with the Officers of the Company.*
17

The Fifty-Fourth Annual Meeting
of the shareholders of
The Hamilton Provident and Loan Corporation

The Fifty-Fourth Annual Meeting of the Shareholders was held at the Corporation's Head Office, Hamilton, at noon on Monday, February 22nd, 1926.

After deducting all interest due and accrued on borrowed capital, cost of management and other charges, the net profits for the year amounted to $198,980.60.

Which has been appropriated as follows:—

| | | |
|---|---|---|
| Two half-yearly Dividends at the rate of Ten Per Cent. Per Annum ........ | $120,000.00 | |
| Government, Business and War Taxes ........ | 23,700.85 | |
| | | $ 143,700.85 |
| Added to Reserve Fund ........ | | 50,000.00 |
| Carried to Contingent Fund ........ | | 5,279.75 |
| | | $ 198,980.60 |

ASSETS

| | | |
|---|---|---|
| Office Premises in Hamilton and Brandon ........ | | $ 93,000.00 |
| Real Estate held for sale ........ | | 110,820.00 |
| Mortgages— | | |
| Principal ........ | $4,672,784.57 | |
| Interest ........ | 211,621.63 | |
| | | 4,884,406.20 |
| Loans on Corporation's Own Stock ........ | | 6,284.90 |
| Dominion of Canada and Province of Ontario Securities owned ........ | $ 186,605.35 | |
| Canadian Municipalities, School District Debentures and Stocks owned ........ | 86,163.55 | |
| | | 272,768.90 |
| Cash in Chartered Banks ........ | | 27,384.21 |
| Cash on hand ........ | | 8,618.97 |
| | | $5,403,283.18 |

LIABILITIES

| | | |
|---|---|---|
| TO THE PUBLIC: | | |
| Debenture Stock ........ | $ 372,786.66 | |
| Sterling Debentures ........ | 587,965.61 | |
| Currency Debentures ........ | 693,163.98 | |
| Interest Accrued on Debentures ........ | 17,855.35 | |
| Savings Deposits ........ | 830,506.21 | |
| Provision for Income War Tax and Balances due Borrowers ........ | 94,986.53 | |
| | | $2,597,264.34 |
| TO THE SHAREHOLDERS: | | |
| Capital Subscribed—$2,000,000.00 | | |
| Capital Fully Paid ........ | $1,000,000.00 | |
| Capital Partially Paid ........ | 200,000.00 | |
| Reserve Fund ........ | 1,500,000.00 | |
| Contingent Fund ........ | 46,018.84 | |
| Dividend (payable 2nd January, 1926) ........ | 60,000.00 | |
| | | $2,806,018.84 |
| | | $5,403,283.18 |
| SURPLUS SECURITY FOR DEPOSITORS AND DEBENTURE HOLDERS ........ | | $3,606,018.84 |

GEORGE HOPE, President. D. M. CAMERON, General Manager.

The Directors were re-elected as follows: Messrs. George Hope, Henry L. Roberts, W. A. Wood, Stanley Mills, Donald M Cameron, W. J. Aitchison.

At a subsequent Meeting of the Directors, George Hope was re-elected President, and Henry L. Roberts, Vice-President.

THE
Canadian Hardware and Implement Underwriters
Policy Issued by
Retail Hardware Mutual Fire Insurance Company
MINNEAPOLIS, MINN.
Hardware Dealers Mutual Fire Insurance Company
STEVENS POINT, WIS.
Minnesota Implement Mutual Fire Insurance Company
OWATONNA, MINN.

*Combined Statement of Above Companies as of December 31st, 1925*

ASSETS

| | |
|---|---|
| Cash and Investments ...... | $6,298,535.94 |
| Interest Accrued ........ | 89,079.70 |
| Other Assets ........ | 912,458.57 |
| | $7,300,074.21 |

LIABILITIES

| | |
|---|---|
| Reserve for Reinsurance ..... | $4,336,968.78 |
| Unpaid Losses ........ | 378,264.89 |
| Other Liabilities ........ | 166,704.12 |
| → Surplus ........ | 2,418,136.42 ← |
| | $7,300,074.21 |

*Result of Canadian Operations* 1925

| | |
|---|---|
| Premiums Written ........ | $655,895.79 |
| Losses Incurred ........ | 245,962.73 |
| Expenses Incurred ........ | 92,120.67 |
| Dividends Paid to Policy Holders | 251,744.36 |

*Note*—Dividends paid in 1925 are on premiums written in 1924, which amounted to $544,426.28.

Operating under Dominion and Provincial Supervision.
On Deposit with Receiver-General of Canada, $375,000.00.
The Surplus of $2,418,136.42 is back of all Policies issued in Canada.

FIRE INSURANCE
Endorsed by { ONTARIO RETAIL HARDWARE ASSOCIATION / CANADIAN JEWELLERS' ASSOCIATION
F. B. DALGLEISH, Manager,
Confederation Life Bldg., Winnipeg

PROVINCIAL MANAGERS:
Alberta: JAMES KELLAS, 10826 123rd St., Edmonton
Manitoba: I. E. FAIRCHILD, 802 Conf. Life Bl., Winnipeg, Man.
Ontario: F. A. MARTIN, 143 University Ave., Toronto
Quebec: ALFRED BRUNELLE, 1046 Van Horn Ave., Montreal, Que.
British Columbia: E. H. HAWKINS, 212 Berkeley Blk., 990 Bute St., Vancouver
Saskatchewan: South—A. E. Athey, 2329 Montreal Street, Regina
North—T. E. Shiel, 8 Bell Block, Eighteenth St. West, Saskatoon

Risks in Class A ........ Dividend 50%
Risks in Class B ........ Dividend 40%
Risks in Class C ........ Dividend 30%

*A line to your Provincial Manager or the Head Office will bring convincing facts.*

# The Foreign Exchanges

Conducted by S. J. ZACKS.

The continued strength of U. S. funds remains an important factor in the foreign exchange in so far as Canadians are concerned. On Wednesday a large block of futures, seller's option March, came through. It is now thought that this strength will continue at least until navigation opens, when there will be bills against wheat exports. Of course this may be discounted in anticipation of the actual event, in which case U. S. funds will ease off earlier. The fact that the Canadian government has a $25,000,000 obligation maturing shortly in New York may have been a factor making for the strength of U. S. funds.

The vagaries of the franc during the week were quite phenomenal, reaching new low levels for the year at .356 cents in Toronto and then recovering somewhat on Monday and Tuesday. The slight recovery of the franc reflects in part the improved prospect for Briand's finance bills. Senate finance commission has voted enough taxes in addition to those included in the Chamber bill, to balance the 1926 budget. Whether the amended bill will be acceptable to the Chamber or not is a difficult question to answer, and the oscillations in the franc during the next few weeks no doubt will indicate the prospects. In the meantime the government has compromised its position somewhat in an effort to get the Chamber to vote for the amended finance bill by promising that new taxes will be for one year only.

Reports of Japanese foreign trade help to explain the firmness of the Japanese yen. Trade to February 20, 1926, shows an import balance for the year smaller by more than 82,000,000 yen than in the same period in 1925, and February trade promises to be larger than last year. Though the peak of Japanese imports is at hand, yet there is not likely to be any reaction in the yen since the payments for Japanese foreign trade are usually contracted from three to six months before actual movement of goods. Peak of import pressure on foreign exchange comes around the first of the year.

NEW YORK FUNDS

| | High | Low | Last Year High | Last Year Low |
|---|---|---|---|---|
| Feb. 18 .. .. .. .. | 7-16 | 25-64 | 1-8 | 3-32 |
| Feb. 19 .. .. .. .. | 13-32 | 13-32 | 3-32 | 3-32 |
| Feb. 20 .. .. .. .. | 25-64 | 3-8 | 3-32 | 3-32 |
| Feb. 22 .. .. .. .. | 13-32 | 3-8 | 1-8 | 1-8 |
| Feb. 23 .. .. .. .. | 25-64 | 23-64 | 1-8 | 1-16 |
| Feb. 24 .. .. .. .. | 13-32 | 3-8 | 1-8 | 3-32 |

STERLING, FRANCS AND LIRE

| | Sterling Close | Francs Close | Lire Close |
|---|---|---|---|
| Feb. 18 .. .. .. .. | 4.86 1/16 | 3.57¾ | 4.02 |
| Feb. 19 .. .. .. .. | 4.86 1/16 | 3.58¼ | 4.02 |
| Feb. 20 .. .. .. .. | 4.86 1/16 | 3.54½ | 4.01¾ |
| Feb 22 .. .. .. .. | .... | .... | .... |
| Feb. 23 .. .. .. .. | 4.86 | 3.64¼ | 4.02⅛ |
| Feb. 24 .. .. .. .. | 4.85 3/16 | 3.62½ | 4.02 |

OTHER EXCHANGES

| Par | | Close Feb. 17 | Close Feb. 24 |
|---|---|---|---|
| 19.30 | Italian ... ... .... | 4.05⅛ | 4.04 |
| 23.82 | German ... ... ... | 23.91 | 23.90¼ |
| 32.45 | Brazilian .... .... | 14.87 | 14.83 |
| 19.30 | Belgium ..... .... | 4.56½ | 4.56¼ |
| 49.85 | Japan ... ....... | 46.49 | 46.04 |

## Sees Brighter Prospects for Farmers in West

WINNIPEG.—In an interview with The Financial Post here the other day, M. Willis Argue, general manager of Western Homes, expressed the opinion that there is more optimism in farming communities to-day than there has been for some time. He said:

"In the general depression throughout Canada following the war, farming, the basic and biggest industry of the West, possibly suffered a greater reaction than any other industry. But it must be borne in mind that gross revenue has always been satisfactory, and the trouble lay in operating costs increasing altogether out of proportion to gross revenue. Farmers had difficulty in meeting their obligations, not only those who were heavily burdened in paying for land and equipment on the instalment plan, but even well-established farmers, with clear title land and equipment experienced difficulty in making a profit from their operations. Some of the younger farmers gave up and moved to the South only to find that conditions there were just as difficult, or perhaps even worse on account of the higher cost of land.

"It is evident that the difficulties so far as Canada is concerned were only of a temporary nature, and during the past two years there has been a marked improvement in conditions generally throughout the West. The credit of the Canadian farmer has never been seriously impaired and his position is more favorable and secure to-day than it has been for years.

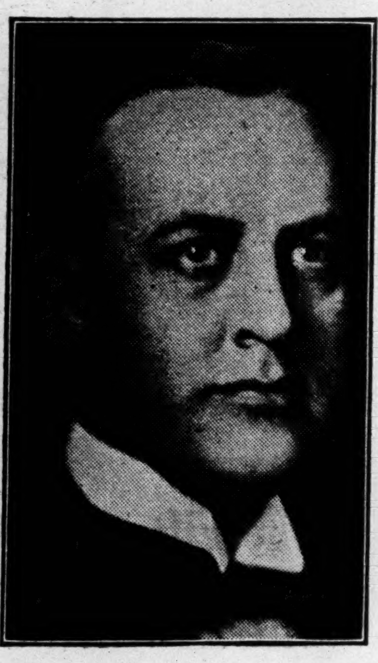
"Western Canada produces a larger yield and better quality of grain from its acres under cultivation than any other of the great agricultural countries, and it is an encouraging feature to the farmers and those closely associated with the farming industry that the quality of our wheat practically guarantees a permanent market for it in the world."

## Consolidated Smelters' Stock Split Expected

Those who put confidence in the rumors that there would be an announcement made by the directors of Consolidated Smelters at the beginning of this week were disappointed. Those closely in touch with the situation believe that an announcement will be made in the near future. One well supported view is that the stock of $25 par will be split five for one and that the new shares will be placed on a $2 dividend basis. Nothing definite will be known, however, until after the return of the president, J. J. Warren, from the West, probably in a month or six weeks. The recent appreciation of the stock suggests the expectation that an announcement with regard to a stock split will be made in the near future.

## Bank of N. S. is to Have Eastern Executive Office

Following out the policy of decentralizing administrative control, which has been adopted by a number of the Canadian banks in recent years, the Bank of Nova Scotia announces the appointment of H. L. Enman as supervisor of eastern branches, with headquarters in St. John. Mr. Enman was manager of the Toronto branch at Queen and McCaul Streets for several years up to 1919, since when he has been a supervisor of branches at the general office.



Mr. Enman leaves at once for St. John, to take over his new duties, and will be accompanied by T. G. McMaster as assistant supervisor.

## Europe Buys Our Wheat Below Canadian Prices?

It has been somewhat difficult to obtain verification of the report that the Canadian Wheat Pool has been selling wheat in the United Kingdom at from 10 to 15 cents less than the cost of the wheat on the same day in Winnipeg plus the charges on freight, insurance, etc. It is reported that No. 1 Northern was sold at $1.74½ c.i.f. London, which was equal to 13 cents a bushel less than the corresponding Winnipeg price, and that No. 2 Northern was ten cents lower in London than the corresponding Winnipeg price.

As a result of similar reports emanating from certain sources for the past six months or more, representatives of the Millers' Association approached the pool officials with the request that they be given the same terms as their competitors abroad. At the time these officials are alleged to have promised that the Canadian millers would receive equally attractive terms as their competitors. During the interval Canadian millers have found foreign competition severe and European producers are apparently able to undersell them. It is not yet established, apparently, that this is due to the price factor exclusively.

## New York House Boosts Provincial Bank Stock

NEW YORK.—In a circular on the Provincial Bank of Canada, H. W. Walbridge & Company say: "At current prices around $130 per share the stock yields about 7 per cent. and appears to be an unusually attractive bank stock investment in view of the high yield, energetic expansion policy and strong financial position."

### THE VANCOUVER WHEAT MOVEMENT

CALGARY.—Fifty million bushels of the 1925 Prairie crop will move to Vancouver for re-shipment during the present crop season, in the opinion of J. A. McColl, of the Vancouver Harbor Board. The total to date approximates 30,000,000 bushels.

# Ontario Pulpwood to be Exported as Paper Now

(Continued from page 1)

from time to time by the department: (a) No area was allotted to tenderers—the Crown undertaking to permit the Thunder Bay Company to cut 5,830,000 cords from locations to be fixed by the Department, annually, on territory comprising approximately 1,555 square miles. (b) No area was allotted to the Nipigon Corporation—the Crown undertaking to permit it to cut 5,842,000 cords from locations fixed by the Department, annually, within the territory comprising approximately 1,568 square miles. (c) No area has been allotted to the Provincial Paper Mills—the Crown undertaking to permit the company to cut 1,755,563 cords from locations to be fixed, annually, by the Department within the territory comprising approximately 1,296 square miles. (d) No area was allotted to the Fort William Pulp & Paper Company—the Crown undertaking to permit the company to cut 5,200,000 cords from locations to be fixed, annually, by the Department within a territory approximately 1,566 square miles.

### Some Tenders Turned Down

In the District of Cochrane the arrangement was made with the Spruce Falls Company without stipulating the amount. In regard to one of the other bids received, the Minister of Lands and Forests recently explained in the House:

The tenderers recite that they control the Metagami Pulp Company, now in a receiver's hands, and that they contemplate the formation of a new company to acquire the old company and carry on the business. About one-half a million dollars of the liabilities of the Metagami Company is owing to settlers, small merchants and operators in Northern Ontario. The Department required the tenderers to undertake to settle these claims before being given further supplies of Crown timber to enable them to rehabilitate the insolvent company. This they refused to do. Moreover, they refused to comply with the requirement of the Department, that all their raw materials should be completely manufactured into paper in Ontario. For these reasons, the above tenders were not considered to comply with the requirements of the advertisement for tenders, and therefore were not in form to be acted upon by the Department.

### Quebec's Power Measure

According to the new measure to prohibit the exportation of power from Quebec, all future contracts must contain a clause of a prohibitive nature. The ban is also to be written into existing contracts and to their renewal.

The terms of the bill are in line with Premier Taschereau's public utterances, and since he commands a huge majority in the Legislature, the passage of the bill is assured.

The bill provides that "every sale, lease or grant whatsoever of water-powers, belonging to the province or in which it has rights of ownership, or other rights made on or after the coming into force of this Act, shall contain a clause prohibiting the exportation, outside of Canada, of the electric power which may be developed in this province."

### Ban in All Contracts

It is next provided that "every contract, permit or grant authorizing, from and after the same date, the installation or passage of transmission lines, in or over the Crown domain, shall likewise contain a similar prohibitive clause."

It is also laid down that every authorization given by the Quebec Public Service Commission, under the Acts concerning it, shall be subordinated and subject to the prohibition enacted by the above quoted two sections.

To insure enforcement the bill decrees that "every violation of the provisions of this Act shall render null and void at the demand of the Crown, any sale, grant or contract, any lease or permit, made or granted by it," and, further, that the provisions of the Act are to apply to existing contracts, unless reported to the Minister of Lands and Forests within three months after the coming into force of this Act, and to any renewal of such contracts, at the expiration of the term for which they were made.

In the light of Mr. Taschereau's recently expressed policy, the chief purpose of the bill is to prevent the export of power, developed on Canadian territory by Canadian waters, to the United States. While Quebec-developed power can be exported to other Canadian provinces, it can only be done on a definite understanding that such power will not be re-exported to the United States.

## How Canadian Paper Industry Will Benefit

MONTREAL.—While the new regulation of the Ontario government in regard to the manufacture of pulpwood into paper does not apply to previous contracts with companies manufacturing and exporting pulp, the pulp industry is affected as indicated by the fact that the tender of those interested in the Mattagami Company was ruled out. The pulp makers who are exporting, point out that any interference with Canadian shipments merely means that the United States will, temporarily at least, secure larger supplies from Scandinavia.

On the other hand the restriction of pulp exports would undoubtedly have a beneficial effect on the newsprint industry as a whole, for, by this means, the producers of either high grade or newsprint paper might be forced to pay more for their pulp in the U. S. than if they were located in this country—in other words the costs of the papermakers in this country would eventually compare even more favorably than they do at present with the U. S, producers. All this would help the industry here.

## Report of Western Homes Shows Gains for 1925

WINNIPEG.—The eleventh annual report of Western Homes, Ltd., shows substantial gains for 1925. Subscribed capital stood at $2,325,000, an increase of $177,400 over 1924. Paid-up capital showed an increase of $111,920, being $911,476 at December 31, 1925. Further substantial increases have been made since the first of the year in both subscribed and paid-up capital, the figures now being $2,350,000 and $950,000 respectively. The assets of the company have increased in ten years from $36,613 to $989,864. These are practically all mortgage investments, the security for which, according to the general manager, is conservatively appraised at $2,049,000. During the year, $192,565 was collected in mortgage accounts, an improvement over the preceding year of $21,987. The undivided profits brought forward from 1924 and profits for 1925 totalled $98,281. $61,130.95 were paid in dividends and income tax for 1925, $6,278 set aside for income tax payable in 1926, leaving a surplus for the year of $30,872. The company has no liabilities to the public.

At the annual meeting of the shareholders it was decided to make a temporary reduction in dividends, from seven to four per cent., in order to create a strong reserve. It was estimated that by this means a reserve of at least $150,000 would be created in four years.

# WESTERN HOMES LTD.

## Mortgage Investments

2nd Floor Lombard Building
WINNIPEG - CANADA

| | |
|---|---|
| Capital Authorized .................... | $5,000,000.00 |
| Capital Subscribed .................... | $2,350,000.00 |
| Capital Paid Up .......................... | $ 950,000.00 |

As at Feb. 11th, 1926.

## The Story of 1925

| | |
|---|---|
| Added to Subscribed Capital ............ | $177,400.00 |
| Added to Paid Up Capital ............... | 111,920.55 |
| Added to Mortgage Investments ........ | 127,847.57 |
| Collected on Mortgage Accounts ....... | 192,565.60 |

## Profits for 1925

| | | |
|---|---|---|
| Undivided profits from 1924 and profits for 1925, total... | | $98,281.49 |
| Appropriated as follows: | | |
| Dividends and Income Tax | $61,130.95 | |
| Reserved for Income Tax, 1926 | 6,278.02 | |
| Surplus | 30,872.52 | |
| | | $98,281.49 |

The Company has continued its policy of investing its capital in mortgages and agreements on moderately priced city homes and well improved farms, which, it believes, form the best security in the world.

The homes and farms which the Company holds as security for its investments in mortgage loans ($811,740.24 as at December 31, 1925) are appraised at $2,049,000.00 and are fortified by the personal covenants of 800 borrowers.

The general improvement in conditions in Western Canada is reflected in the progress made through the year in every department, and particularly in collections on mortgages, which exceed those of 1924 by $21,987.84. Arrears on Mortgage accounts are less than in 1924, though mortgage investments have increased by $127,847.57.

For all information concerning Western Homes Ltd., write the Company's Office, 2nd Floor, Lombard Building, Winnipeg.

M. WILLIS ARGUE, General Manager.

ARGUE BROS., LTD., General Agents, WINNIPEG

## MONTREAL TRAMWAYS COMPANY.

### ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of the Montreal Tramways Company will be held at the Company's Offices, Tramways Building, 78 Craig Street West, Montreal, at 12 o'clock noon, on Monday, the 29th day of March, 1926, for the reception of the Annual Report, Election of Directors, and the transaction of such other business as may legally come before said Meeting.

The Transfer Books will be closed from the 9th to the 28th day of March, both days inclusive.

By order of the Board.

PATRICK DUBEE, Secretary.

February 24th, 1926.

## The Ontario Loan and Debenture Co.

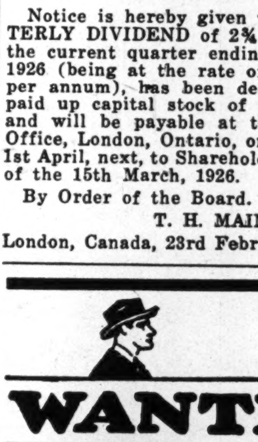
### 155th Dividend

Notice is hereby given that a QUARTERLY DIVIDEND of 2¾ per cent. for the current quarter ending 31st March, 1926 (being at the rate of 11 per cent. per annum), has been declared on the paid up capital stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 1st April, next, to Shareholders of record of the 15th March, 1926.

By Order of the Board.

T. H. MAIN, Manager.

London, Canada, 23rd February, 1926.



WANTED

HERE'S an arena of opportunity—a field for the best that is in a man or woman—selling Life Insurance! The work is congenial and profitable—the rewards are limited only by your determination to persevere and succeed. Life Insurance is now recognized universally as the best first investment of every man, and most women.

If you desire to engage in a worth-while work, write for free booklet, "*A Profession of Splendid Opportunities*". 62

EXCELSIOR INSURANCE LIFE COMPANY
EXCELSIOR LIFE BLDG., TORONTO

## Belgo Canadian Paper Company Limited

### Dividend Notice

Notice is hereby given that the following dividends have been declared for the quarter ending 31st March, 1926:

Dividend No. 11 on the Preferred Stock: One and three-quarters per cent. (1¾%) payable on the first day of April, 1926, to shareholders of record of the 8th day of March, 1926.

Dividend No. 6 on the Common Stock; One and a half per cent. (1½%) payable on the tenth day of April, 1926, to shareholders of record of the 31st day of March, 1926.

By Order of the Board.

A. DEHAUFFE,
Secretary-Treasurer.

Montreal, February 12, 1926.

## The Sherwin - Williams Company, of Canada, Limited

Notice is hereby given that the 59th quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum for quarter ending February 28th, 1926, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of March, 1926, and that cheques will be mailed on the 31st of March, 1926.

Books not closed.
By order of the Board.

D. A. WHITTAKER,
Secretary-Treasurer.

Montreal, Que., February 9th, 1926.

## The Sherwin - Williams Company, of Canada, Limited

Notice is hereby given that the 22nd quarterly dividend of one and a half per cent. (1½%) for quarter ending February 28th, 1926, on the Common Stock of the Company has been declared payable to shareholders of record the 15th day of March, 1926, and that cheques for same will be mailed on the 31st day of March, 1926.

Books not closed.
By order of the Board.

D. A. WHITTAKER,
Secretary-Treasurer.

Montreal, Que., February 9th, 1926.

## The Wabasso Cotton Company, Limited

### DIVIDEND NOTICE 33

Notice is hereby given that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending 31st March, 1926, payable on the 1st of April, 1926, to Shareholders of record at the close of business on the 15th March, 1926.

By Order of the Board,

JAS. R. RITCHIE,
Secretary-Treasurer.

Three Rivers, P.Q., Feby. 9th, 1926.

## Dominion Glass Company Limited

### NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of March, 1926.

Notice is also hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of March, 1926.

The above Dividends are payable on Thursday, the 1st day of April, 1926, to Shareholders of Record at the close of business Monday, the 15th day of March, 1926.

By Order of the Board.

MERVYN OFFER,
Comptroller and Secretary.

Montreal, 18th February, 1926.

ONTARIO

## SALE OF HARDWOOD TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including the 15th of April, 1926, for the right to cut the Hardwood Timber, comprising Birch and Maple, on an area in the District of Algoma, partly in the Mississaga Forest Reserve and partly in the section immediately South thereof, subject, amongst other conditions, to the manufacture of same into the finished product within the Province of Ontario.

FURTHER PARTICULARS may be obtained upon application to the undersigned, or the Deputy Minister of Lands and Forests, Toronto, Ontario.

JAMES LYONS,
Minister of Lands and Forests.

N.B.—No unauthorised publication of this Notice will be paid for.

TORONTO—January 22nd, 1926.

## TENDERS FOR County of Carleton Debentures

SEALED TENDERS addressed to the undersigned will be received up to 12 o'clock noon, March 5th, 1926, for the purchase of the following blocks of debentures, all bearing 5% interest, with coupons attached:

$61,500.00 payable in 5 equal annual instalments of principal and interest.

$39,000.00 payable in 10 equal annual instalments of principal and interest.

$53,780.00 payable in 20 equal annual instalments of principal and interest.

Each block to be tendered for separately, and all tenders to be "Ottawa Funds."

The highest or any tender not necessarily accepted.

HENRY R. WASHINGTON,
Clerk and Treasurer.

## Barcelona Traction, Light and Power Company, Limited

(Incorporated under the Laws of Canada).

Notice is hereby given that the Board of Directors of the Barcelona Traction, Light & Power Company, Limited, have declared a dividend of one and three-quarters per cent. (1¾ per cent.) on the 7 per cent. Non-Cumulative Participating Preference Shares of the Company, payable on the 31st March, 1926, to all Shareholders of record at the close of business on the 15th March, 1926.

Dated at Toronto, Canada, Feb. 22nd, 1926.

R. H. MERRY,
Secretary.

### NOTE:

The Transfer Agents of the Company are National Trust Company, Limited, Toronto, Canada.

The London Agents of the Company are the Canadian and General Finance Company, Limited, 3 London Wall Buildings, London, E.C. 2.

## VIAU BISCUIT CORPORATION LIMITED

### DIVIDEND NOTICE

Notice is hereby given that a dividend of One and three-quarters per cent. on the First Cumulative Preference Stock of this Company and a dividend of One and three-quarters per cent. on the Second Cumulative Preference Stock of this Company have been declared for the quarter ending the 28th day of February, 1926, payable on the first day of March, 1926, to Shareholders of record at the close of business on the 15th day of February, 1926.

By Order of the Board.

LUCIEN ST. MARS,
Treasurer.

Montreal, 12th February, 1926.

### NOTICE TO BONDHOLDERS

## LOEW'S OTTAWA THEATRES, LIMITED

Holders of five year gold notes (or bonds) of Loew's Ottawa Theatres, Limited, are hereby notified to send their full names and addresses and serial numbers and amounts of bonds held, to the undersigned.

HAROLD BETTS, Secretary,
229 Jackson Bldg.,
Ottawa, Ont.

### TO MEN OF MEANS OR BUSINESS HEADS

If you require the services of a trustworthy and reliable man of middle age, in whom the utmost confidence can be placed, to act in the capacity of private secretary, or confidential clerk, I beg to offer my services. I have first-class business experience as manager. Am of good education and personality. Can give the highest references, and satisfactory reason for seeking a position. Correspondence requested.

Box 100, Financial Post,
Toronto, Ont.

## CITY of OSHAWA—Tenders for Debentures $226,084.21

Tenders addressed to the undersigned and marked on the envelope "Tender for Debentures" will be received up till 5 p.m., Wednesday, March 3rd, for the following debentures:

| Purpose | Amount | Rate % | Term | Denominations | Interest Annually | Payable at |
|---|---|---|---|---|---|---|
| Sidewalks | $13,115.19 | 5 | 10 yr. Instal. | $1,000.00 and odd amounts | Dec. 31st | Standard Bank, Toronto, Montr'l., Oshawa, and City Treasurer's Office, Oshawa |
| Pavements and Sewers | 154,489.02 | 5 | 15 yr. Instal. | " | Dec. 31st | |
| Water Mains | 24,580.00 | 5 | 20 yr. Instal. | " | Dec. 31st | |
| Pub. Schools | 33,900.00 | 5 | 20 yr. Instal. | " | Dec. 31st | |

The Debentures and Interest Coupons attached will be made payable at the Standard Bank, Montreal, Toronto and Oshawa; also the office of the City Treasurer, Oshawa. Denominations of bonds $1,000.00 and odd amounts. Accrued interest to be added to price on delivery. Delivery and payment to be made at Oshawa. The Corporation reserves the right to reject any or all tenders.

P. A. BLACKBURN, City Treasurer.

# Manufacturing by Machinery But We Are Marketing by Hand

## Modern Problem of Industry is One of Distribution — Economic Loss by Ventures Into Retailing by Those Who Are Without Experience

By W. T. JACKMAN, M.A.,

Department of Political Economy, Toronto University, in address to the Ontario Retail Hardware Association

W. T. JACKMAN, M.A.

In earlier times there was no problem of distribution, because people lived simply and produced most of the things they required, such as clothing, foodstuffs, houses, etc. But with increasing wants a mercantile class arose which were in a position to minister to the necessities and comforts of their local constituency. With an advancing standard of living an ever-increasing proportion of the population went into the fields of manufacturing, trade and finance. Inventive genius produced machines to grant greater and greater relief to manual labor and to produce goods in greater volume. The consumer came to expect unusual service and convenience as a matter of course, and finally to demand more. Each new service and convenience drew additional people into the activities of distribution. More and more facilities were created to further the work of distributing the manufactured products to the consumers, at a constantly increasing expense, until now we have attained the point where the costs of distribution and service are frequently greater than those of production. The prices of commodities are lost in a maze of service costs and there is need to examine the fundamentals of the system in order to see if, in the process of development, there has not been the introduction of costly services which might be eliminated with good results. The processes of manufacturing have become economical and efficient, while distribution has become expensive and inefficient. In fact, we are manufacturing by machinery but marketing by hand.

### The Present Retail System

The present retailing system with all its complexities is the result of an evolution over a long period of time, and during all that time there has gone on the constant, relentless tendency towards elimination of all forms of distribution which are uneconomical. It would be natural to presume, therefore, that all the present agencies of retail distribution are those which are best calculated to serve the interests of the consumers in the most economical manner. But this conclusion is scarcely warranted for two reasons, first, because many men, hoping for a chance of making a profit in the handling of retail commodities, are continually injecting themselves into the distributive mechanism in order to take away business from those who constitute the normal channel of retail trade, and second, because many firms which have been in the retail business for a long time have got into the hands of those who have not the adaptability to carry on business upon the most approved principles of economy. Consequently, while there is a continual tendency to weed those who are not fitted to keep pace with the incessant development toward economy, it must be acknowledged that there are factors at work which tend to retard the operation of this wholesome progressive movement.

### Gradual Changes

Changes in retailing methods must take place gradually, for these must be made in accordance with the changes in the habits of the people and usually these do not change perceptibility except over relatively long periods of time. It is the consuming classes which must decide whether one system of distribution or another is most satisfactory for them; and only that system can survive which is in accordance with what they consider best and which is appropriate to their particular habits. If the customers are accustomed to making their purchases on credit, the introduction of a cash establishment will not usually transfer trade from the stores which give credit, unless there are some very decided advantages in trading with the cash firm. But the distributive system is determined not alone by the practices and standards of living of the consumers, but also by the methods of production which prevail at the time. For example, if production is carried on so as to provide a uniform, steady, constant flow of a commodity, the retailers may avoid stocking up heavily in that line of goods, for they know that they can get their supplies at any time when they are required. The retailer is, therefore, in intermediate position between the producer and the consumer, without being able to affect the conditions and practices of either class. He is caught in the mechanism and must adapt his policies and methods to the requirements of both. It is this which makes his position partake of a precarious nature.

We propose to consider the economic tendencies in retail distribution from two angles. namely. first, the organization of the retail business as a whole and, second, the developments in the field of the particular business.

### Larger Business Units

The retail business as a whole has tended to follow the change which took place years ago in production or manufacturing, in the organization of larger business units. This process has been of necessity much slower than in manufacturing, because of the fact that the retailer cannot sell his goods en masse in the same way as the manufacturer produces them, but must sell them a few units, or even a unit, at a time. This has held back the normal desire for consolidation. But recently the competitive struggle has become much keener than formerly, so that, to use the language of a local retailer, "business has become a great gamble." A man locates at a place which it is expected will be a good site for a reasonable retail trade, and before he gets himself established in the confidence of the community, several others locate a short distance from him and take away his promising customers. There is not enough business for all of them, and, as a consequence, one or more of them must fail, with the inevitable loss of capital. This is not for the welfare of the individual or that of the community and this waste of capital is appalling. Even under the most favorable conditions, the retailer is likely to be subject to heavy losses. For example, his stock of a certain kind of paint may be reduced in value because of the improvement introduced by the manufacturer of another kind; his stock of household utensils may have to be disposed of for little or nothing because of the production of new, more artistic and sometimes better goods produced by the same or another manufacturer. In fact, the incessant progress of invention is continually rendering useless substantial portions of the retailers' stocks and when goods are superseded by others which attract the bulk of the consumers' demand, the former goods may as well be taken from the shelves.

### Antiquated Stocks

One need only go through some of the older retail hardware stores to see fairly large amounts of antiquated products which should have been sent to the scrap heap years ago. The competition of salesmen representing different firms has rendered the life of the retail hardware merchant much more difficult, for the latter can scarcely turn down the glib-tongued salesmen, even although he knows that the products he now has are just as good as those he is asked to buy; for if he refuses to take the salesman's wares an adjacent competitor will take them and by skillful selling methods may capture the market. The fact is that instead of competition being always the life of trade, as was formerly proclaimed, it is frequently the death of trade—and sometimes also the death of the trader. It has become necessary therefore, in the interests of economy, to organize even the retail business into larger groups and this is shown not only in the hardware line but also in a variety of other branches of distribution. We should hardly like to go as far as to say that the day of the separate retail hardware store is passing; but economies from combination are so pronounced as to beckon the individual dealers to unite, especially to save in buying, advertising, and delivery, and to standardize their practice in the granting of credit.

### The Chain Store

Until recently the practice has been for the various functions in distribution to be performed by different interests — the wholesalers or jobbers were entirely different from the retailers. But recently there is a tendency for the successive marketing functions to be under one ownership. This integration is more marked in some lines than in others; but where chain stores are found the normal conditions are for them to reach back and perform their own wholesale services. This is the case also with the department stores and in certain instances these retail establishments do their own manufacturing. In other cases manufacturers assume the duties of manufacturers' agents and of jobbers and sell direct to retailers and sometimes to consumers. The tendency toward integration is due chiefly to the increasing size of the units at each end of the line; the manufacturing companies have become big enough to form their own sales organizations by means of which to reach the retailers and push their own products by direct sale rather than depend upon sale through jobbers whose interests are very diverse; and at the other end the growth of department stores and chain stores has tended to render unnecessary the services of the jobber. One of the chief benefits from keeping the successive marketing services under one control is to bring simplicity and economy. For example, when a chain store company buys direct from manufacturers it has to perform the wholesale function; but instead of sending out salesmen the wholesale department takes orders by telephone or mail from the various stores, thereby reducing expense. In addition, the wholesale department of the chain store, by keeping in close contact with the needs of all its retail stores, can buy only what is immediately necessary and by having a constant inflow of products from the manufacturers just sufficient to take care of its demands it can operate upon less capital and with lower overhead of interest and wages. An increasing amount of business is being done direct from the manufacturers to large retail units, especially the chain stores. The latter are an important influence in the field of marketing by reducing the costs and changing the methods of distribution; but as yet they are found to a limited, although increasing, extent in the retail hardware trade.

It would not be desirable, however, to require all dealers to follow the same methods in the distribution of their goods. The channels of marketing are continually varying and there must be room for the individual who wishes to carry on experimentation in order to adapt methods to ever-changing economic conditions. Progress in marketing methods can only be made when producers and middlemen are alike free to try new policies. Anything in the nature of artificial restraints or barriers, such as boycotting those who attempt to do business apart from the regular channels, is to be condemned. But in saying this we must join with it the statement that there is much waste through starting up retail businesses in poor situations by men who have neither the abilitv nor the capital to succeed.

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# T. Eaton Life Assurance Co. Offering Policies by Mail

## Mail Order Catalogues of Big Merchandising House Being Used for Sale of Insurance — Later to Branch Into Cities

## AIM IS TO REACH ALMOST UNTOUCHED FIELD

"Life Assurance by Mail" is the slogan of a campaign initiated by the T. Eaton Life Assurance Company. This organization, incorporated in 1920 to carry group insurance on the employees of the T. Eaton Co., Canada's largest retail merchandising organization, and latterly engaged in the business of writing individual insurance policies on Eaton employees, is extending its activities to reach the general public. For the moment, the company is confining itself to the writing of life assurance on persons who are being reached by the company's mail order catalogues, but later, it is understood, urban centres will be covered by the Eaton life insurance organization.

### Use Mail Order Catalogues

The T. Eaton Company's mail order catalogues, which have just gone out from the Toronto, Winnipeg and Moncton mail order warehouses, contain folders offering "Life assurance by mail." The circulars relate the history of the T. Eaton Life Assurance Company, which was organized in 1920 under Dominion laws and is operated, as are other life insurance companies, under the supervision of the Superintendent of Insurance at Ottawa. The circulars point out that the company will write from $500 to $1,000 of insurance without medical examination, while larger policies will be written after the usual medical examination. Rates are then quoted. These compare favorably with the lowest rates now being quoted by various companies for participating insurance. They are as follows:

ANNUAL PREMIUM PER $1,000 ASSURANCE PARTICIPATING IN PROFITS

| Age | Whole Life Plan | 20 Pay. Life Plan | 20 Year Endow. Plan |
|---|---|---|---|
| 15 years .. | $12.35 | $22,25 | $43.70 |
| 20 years .. | 13.90 | 24.00 | 44.00 |
| 25 years .. | 15.85 | 26.15 | 44.40 |
| 30 years .. | 18.25 | 28.75 | 45.00 |
| 35 years .. | 21.40 | 31.95 | 45.90 |
| 40 years .. | 25.55 | 35.95 | 47.40 |
| 45 years .. | 31.20 | 41.10 | 49.95 |

Of course, other policies are being written and the circular quotes these rates as typical; not as the entire basis of the company's operations.

A lengthy summary of the advantages of life insurance and a non-technical description of the various clauses and types of policy are given.

### First Wrote Group Insurance

The T. Eaton Life Assurance Company, when it was first organized, carried group insurance on the company's employees. Later this was dropped and intensive efforts were made to sell insurance to the employees. Four salesmen in Toronto, one in Winnipeg and one in Moncton were active in signing up the employees, and at the end of 1925 the company had in force $6,722,344 of life insurance policies. These were all on the non-participating plan, although the company intends to sell participating insurance to the general public. The extent of the company's activities may be judged from the fact that $1,612,724 of insurance was written in 1925, which would compare favorably with the sales of most five year old companies, and is a good record for a company operating in such a restricted field.

### Surplus Shown in Balance Sheet

Assets at the end of the year stood at $810,211. The company had the usual legal reserves against its policies and in addition a contingent reserve of $60,000 and a surplus of $179,299, while additional protection to policyholders was provided by the $100,000 of capital stock subscribed. It is understood that the surplus and contingent reserves have been created entirely by the company's operations in the five year period since organization, as no premium was charged upon the capital stock when it was issued. Surplus to policyholders, then, is $339,299.

Company's assets include some loans to employees secured by first mortgages on their homes. Also included are a block of $25,000 of the T. Eaton Company's 10 per cent. bonds and $18,000 of 7 per cent. debentures, but it is explained that these are also secured by government and municipal bonds which the T. Eaton Company has deposited as additional security, thus giving the life insurance company additional interest return without weakening of security.

### Hopes for Low Expense Ratio

The company has, to date, operated on a very low expense ratio and hopes to continue to do so, although its plan of selling life insurance by mail is yet experimental.

Life assurance will at first be sold chiefly to farmers and residents of the smaller towns, as these are the people reached by the mail order catalogue. The company, it is believed, considers that this field has not been as intensively covered by personal canvass of insurance salesmen as the cities and larger towns. The theory that the company is working to open up virtually a new field for life insurance selling is borne out by the fact that the literature issued has a distinctively rural appeal in its illustrations and by a statement, in the first circular, to the effect that "while a total of approximately $675,000,000 of life assurance was written by all companies on the lives of Canadian people during the year 1925 alone, yet there are a considerable number who do not carry assurance at all. This may be due partly to the fact that those who live some distance from a town have never been approached by an agent."

### Small Policies are Expected

The company intends to reinsure all policies over $10,000, The Financial Post is informed, although it is not anticipated that many such large policies will be written at first. In fact, it is anticipated that most of the policies will be for small amounts, coming within the class that does not require medical examinations.

While it is too early to judge of the success of the plan, it is stated that the initial response to the first circular has encouraged the company.

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# BELGO CANADIAN INCREASED BY ADDITION OF 200 TONS

(Continued from page 1)

would be unwise to consider merger terms at the moment.

### Holt and McKee at Helm

Even though both organizations are headed by Sir Herbert Holt and Geo. M. McKee, it would seem reasonable to presume that negotiations are still some distance off. The new managing director of the St. Maurice Corporation has a long experience in the pulp and paper business. Before organizing and erecting the Donnacona Paper Company, he had a wide experience with many companies in the U.S. It was there that his reputation was built up. After leaving Donnacona Mr. McKee erected and put into operation the Algonquin Paper Corporation's mill at Ogdensburg, N.Y. From there he went to the presidency of Port Alfred.

Should an amalagamation be eventually brought about between St. Maurice and Port Alfred, it would instantly become one of the major factors in the industry with a pulp and paper output of some 1,500 tons daily. Belgo now has an output of 400 tons daily, this will be increased by 200 tons; Port Alfred will produce 450 tons daily and the old St. Maurice Paper plant produces 250 tons daily. In addition to this output of newsprint, there is a considerable production of both sulphite and sulphate pulp.

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Herbert Tareyton London Cigarettes

"There's something about them you'll like"

20 for 35¢

T36

For your Pipe Herbert Tareyton LONDON SMOKING MIXTURE

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# MONTREAL LIFE Insurance Company

(Incorporated 1908)

## A Canadian Company, Doing Business Only in Canada, With Funds Invested Solely in Canadian Securities

### Table of Growth

| Year | Insurance In Force | Policy Reserves | Net Premium & Interest Receipts | Total Assets |
|---|---|---|---|---|
| 1917 ....... | $ 5,397,277.00 | $ 313,885.42 | $170,911.66 | $ 358,854.54 |
| 1919 ....... | 8,805,175.00 | 590,039.56 | 302,043.04 | 872,903.51 |
| 1921 ....... | 14,047,515.00 | 1,083,125.80 | 472,097.59 | 1,392,901.08 |
| 1923 ....... | 19,626,780.00 | 1,728,547.00 | 689,820.90 | 2,183,919.16 |
| 1925 ....... | 24,629,972.00 | 2,437,789.95 | 856,106.39 | 2,944,053.90 |

### Special Benefits to Policyholders

Free Periodical Medical Examination and Health Service. Interest of 5.4% declared for 1926 on Funds left on Deposit. Double the amount of policy paid in event of Accidental Death. Premiums waived and Monthly Income of 1% of sum insured in case of Total and Permanent Disability. (Total Disability for three months recognized as Permanent Disability.) Free expert advice on Insurance and Financial matters.

Home Office - Montreal

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# Penmans Limited

*Corporate Office:*
**MONTREAL, QUE,**

*General Offies:*
**PARIS, ONT.**

## ANNUAL REPORT for the Year Ending 31st December, 1925

### Board of Directors, 1925

President, SIR CHARLES GORDON, G.B.E. Vice-President, R. B. MORRICE
H. B. MacDOUGALL J. P. BLACK WM. McMASTER I. BONNER
J. N. LAING G. W. GRIER V. E. MITCHELL, K.C., D.C.L.
H. BARRETT, General Manager. C. B. ROBINSON, Secretary-Treasurer

### Directors' Report

YOUR Directors are pleased to submit to the Shareholders their Annual Report of the operations of the Company for the fiscal year ending 31st December, 1925.

There was a substantial improvement in the volume of business done by your Company in comparison with last year, the Sales amounting to $6,481,153, an increase of $1,117,047, or equal to 21%.

After paying interest on Bonds and making allowance for Depreciation on Plant and Federal Income Tax and writing off Bad Debts, the Net Profit amounts to $363,030.50, from which we paid the usual quarterly Dividends on the Preferred and Common Stocks, and in addition thereto a Bonus of 2% on the Common Stock, the total disbursement being $279,560.00, leaving a surplus for the year of $83,470.50.

The Profit and Loss Account now amounts to $1,384,737.45.

The Surplus of Liquid Assets over Liabilities has been increased during the year by $75,121.06, the Active Surplus now amounting to $3,612,431.84.

Your Board of Directors wish to express their appreciation of the efficient services of the Officers and employees of the Company throughout the year.

The Books and Accounts of the Company have been audited during the year by C. S. Scott & Company, Hamilton, and their report is presented herewith.

Respectfully submitted,
C. B. GORDON, President.

### Profit and Loss Account For the Year Ending 31st December, 1925

| | | |
|---|---|---|
| Gross Trading Profits for year end. 31st Dec., 1925 | | $. 618,098.97 |
| DEDUCT | | |
| Interest on Bonds ...$ | 100,000.00 | |
| Reserve for Depreciation on Plant ..... | 100,000.00 | |
| Reserve for Income Tax ...... ........ | 30,000.00 | |
| Bad Debts written off | 25,068.47 | 255,068.47 |
| Net Earnings for the year 1925 .... | | $ 363,030.50 |

| | | |
|---|---|---|
| DISBURSEMENTS— | | |
| Pref. Dividend 6%.. | $ 64,500.00 | |
| Common " 8%.. | 172,048.00 | |
| Common Bonus 2%.. | 43,012.00 | $ 279,560.00 |
| Surplus for the year | | $ 83,470.50 |
| Brought forward from 31st December, 1924 | | 1,301,266.95 |
| Balance at Credit Profit & Loss Account | | $1,384,737.45 |

### General Statement as at 31st December, 1925

ASSETS

| | | |
|---|---|---|
| Fixed | | |
| Comprising Real Estate, Buildings, Plant, Dwelling Houses, Water Powers, etc., Less Depreciation | | $3,739,951.01 |
| Goodwill, Trade Marks, etc. ..... | | 1.00 |
| Current— | | |
| Cash on hand and in Bank ..... | $ 435,557.43 | |
| Accts. Receivable .. | 958,917.27 | |
| Bills Receivable ..... | 78,077.47 | |
| Deferred Charges ... | 5,466.20 | |
| Inventory of Raw and Manufactured Stock ...... ..... | 2,385,883.72 | |
| Investments ... .... | 10,050.00 | |
| TOT. CURR. ASSETS | | $3,873,952.09 |
| | | $7.613.904.10 |

LIABILITIES

| | | |
|---|---|---|
| Capital— | | |
| Authorized, pfd. .... | $1,500,000.00 | |
| Common ... ..... | 2,500,000.00 | |
| | 4,000,000.00 | |
| Issued, pfd. ........ | 1,075,000.00 | |
| Common .... .... | 2,150,600.00 | $3,225,600.00 |
| Five Per Cent. 1st Mortgage Bonds— Due 1st Nov., 1926 ............. | | 2,000,000.00 |
| Reserve Account ............... | | 742,046.40 |
| Current Liabilities— | | |
| Unclaimed Dividends | $ 173.47 | |
| Accts. Payable ...... | 188,101.54 | |
| Res. for Inc. Tax.... | 30,000.00 | |
| Bills Payable ....... | 6,882.69 | |
| Wages .... .... .... | 36,362.55 | |
| TOT. CURR. LIABILITIES | | $ 261,520.25 |
| Surplus—Balance Profit and Loss Account ............ | | 1,384,737.45 |
| | | $7.613,904.10 |

C. B. GORDON, President.
R. B. MORRICE, Vice-President.

INDIRECT LIABILITIES
Customers' Paper under Discount, $40,202.50.

We certify that we have audited the Books and Accounts of Penmans, Limited, for the year ended December 31, 1925, and have been furnished with vouchers for all expenditures.

We have obtained all the information and explanations that we have required, and in our opinion, the Balance Sheet herewith is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

C. S. SCOTT & CO., Auditors.
Hamilton, February 10th, 1926. per C. A. SCOTT, F.C.A.

# *News of the Mines:* *A Department for Executives and Investors*

**Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.**

## RED LAKE LOOMS AS AN INTERESTING GAMBLE FOR MANY

### Those Who Staked Before the Snow Fell Took Up Claims Showing Merit

The first stakers in Red Lake, Howie Brothers, Couchеners, Dan Willans, and others staked properties that appear to have a great deal of merit. Real encouraging results were obtained in surface assays. They don't say they have a mine but admit that it is going to take a lot of money to prove that they have not a mine, because results to date justify the expenditure of a great deal of money.

Red Lake looms like a big new camp. It was first prospected for silver and has opened up as a gold area. The southerly portion of Kirkland was first prospected for silver.

The encouraging results obtained and the glamor and romance about Red Lake, have resulted in much snow staking and more is going on. This is gambling. Buyers of syndicate shares, involving snow staking, should remember this. They may have a mine, they may have nothing. No one will know until the snow goes.

Syndicates are attractive. They have made much money for speculators in the past. Some of the new Red Lake syndicates are almost bound to win, others will lose. Speculators can only use their best judgment. Some of the syndicates that have sold shares, have not as yet staked. If the buyer of these shares went in with their eyes open, they stand about as good a chance as those already interested in snow stakings. They have taken an interesting gamble but should see that a real effort to get the best claims possible is made.

A Haileybury report suggests that the possibility of Red Lake becoming the key that will open the new "Empire of the North," predicted by the late Willet G. Miller, is now rapidly dawning on the minds of those connected with the mining world. Already, in fact, discussions have taken place and considerable interest is developing in the possibilities of silver being found many miles north of Red Lake, but still in Patricia district, Ontario.

It is difficult to imagine the extent of the possibilities lying within this huge undeveloped "empire." The district where the presence of silver has been suggested on several occasions and where in fact prospecting parties have already visited, is 250 miles north beyond Red Lake.

## Girls Financed Shopping Trip by Speculation in the Mining Market

Public interest in mining is at present at fever heat. This applies to the whole country. The Financial Post Inquiry department is an evidence of this. Recently the writer visited Ottawa and Montreal and found an intense interest has developed in these two large cities.

Brokers are agreed that a great deal of the buying of mining stocks of late has been by people who have never purchased mining shares before. They have been rushing in, many of them blindly. It is this fact that is making it so easy to finance the numerous Red Lake syndicates that are making their appearance.

There are many danger signs. In the theatre recently three young women from the western Ontario city, in Toronto on a shopping trip, were discussing mining profits. The market provided the funds that made their trip possible. They hadn't the slightest information about the mines whose shares they speculated in, but made money. It is not unlikely that they will be as ignorant about their next flier. They took credit themselves for the profit they made, but if they lose the next time they will blame it on the mining industry.

## Is Ontario Trying to Split Quebec Interest?

One rather interesting suggestion as to the cause of the boom in Red Lake was advanced by an engineer in Montreal. It was to the effect that the Ontario Department of Mines was booming Red Lake in the hope of detracting some of the interest and capital from the Quebec field. He was puzzled to know how it was that all the big mining companies were the first in the field and have large blocks showing their name in the central part of the main staking section. His point was that his experience has taught him that the large companies are always the last to go in. He used the term "wake-up."

**DRAPER DOBIE**
head of Draper Dobie & Co., recently elected secretary-treasurer of the Standard Stock and Mining Exchange for 1926, was born in Bruce Mines, Algoma, where John Taylor & Sons, of England, operated the first important mine in Canada, and having been associated with financial and investment houses for many years, Mr. Dobie comes naturally to the financial side of the mining industry. He has maintained close conections with the Northern Ontario developments and has mining tradition, as well as experience, behind him.

## Only One Smelter for the Rouyn Copper Area

Noranda's smelter will be the only one in Rouyn area. Such was the statement made in the Quebec legislature by Hon. J. E. Perrault, minister of mines.

Gen. Smart asked what arrangements the government had made to ensure fair treatment of independent companies by the smelter authorized at Rouyn, against which, under the new bill, no action might be taken in damages for the effects produced by fumes, etc.

The minister replied that the matter was one for the smelter company and other concerns to arrange between themselves. The smelter venture would involve millions of dollars, and the plant would be the only one in the area, and would serve all comers for all handling of ore.

General Smart drew the minister's attention to the fact that smelters were only in use in handling complex ores, and that south and west of Rouyn there were areas where gold was to be found in solution, calling for the cyanide process, which was entirely different from the ordinary method.

Hon. Mr. Perrault replied that in the Rouyn area there were some 2,000 prospectors, all of whom might have need of the services of the smelter. Roads would be built to facilitate access and also help in the getting out of ore.

**MINING STOCK QUOTATIONS**
**Week Ending February 23**

| | High for week | Low for week | Close Fdeb. 23 | Close Feb. 16 | Sales for week |
|---|---|---|---|---|---|
| Argo. Cons. | 42 | 35 | 36 | 40 | 65180 |
| Apex | 4¾ | 4 | 4 | 5 | 35500 |
| Algonquin | 3 | 1½ | 3 | .. | 2500 |
| Amulet | 1.27 | 1.13 | 1.15 | 1.22 | 74345 |
| Area | 34½ | 31 | 31 | 32 | 35800 |
| Argonaut | 21 | 20 | 21 | 20 | 8900 |
| Atlas | 3⅛ | 3 | 3⅛ | 3¼ | 43000 |
| Baldwin | 3⅛ | 3 | 3⅛ | 4 | 87000 |
| Barry Holl. | 48 | 43 | 45 | 45 | 261860 |
| Beaver | 90 | 80½ | 85½ | 89 | 155200 |
| Bidgood | 8½ | 7 | 8½ | 7½ | 52500 |
| Boston Creek | 5 | 5 | 5 | .. | 1000 |
| Buckingham | 4 | 3 | 3 | 4 | 11100 |
| Can. Lorrain | 82 | 78 | 81 | 82½ | 49700 |
| Capitol | 47¾ | 42½ | 44 | 47 | 245600 |
| Castle Tre. | 1.75 | 1.60 | 1.62 | 1.75 | 119350 |
| Clifton | 5½ | 3½ | 3½ | 5 | 49600 |
| Coniagas | 4.40 | 4.25 | 4.30 | 4.40 | 2700 |
| Coniar'm | 4.25 | 4.05 | 4.05 | 4.25 | 1165 |
| Col. Kirk. | 20 | 3 | 5½ | 21 | 824300 |
| Cons.Smelters | 247½ | 237 | 240½ | 240 | 37840 |
| Cons.W.Dome | 27 | 22 | 22 | 26 | 305550 |
| Crown Res. | 20¾ | 19½ | 19½ | 20 | 89600 |
| Davidson C. | 3 | 2¼ | 2¼ | 3 | 7000 |
| Dome Mines | 20.00 | 18.25 | 19.25 | 18.25 | 21605 |
| Everett | 12½ | 9¾ | 10½ | 11 | 381000 |
| Goldale | 40½ | 38 | 38 | 40 | 80950 |
| Gold Reef | 3½ | 2 | 2½ | 3¾ | 90500 |
| Gold Hill | 43 | 42 | 42½ | 42 | 36200 |
| Hattie, Pref. | 2 | 1½ | 2 | 1¼ | 50000 |
| Laval, Que. | 38 | 34½ | 35 | 35½ | 54600 |
| Hollinger | 19.50 | 18.80 | 19.10 | 19.50 | 5025 |
| Hunton | 17¼ | 15½ | 16 | 16½ | 20800 |
| Indian | 7½ | 7 | 7½ | 7 | 14200 |
| Kirk. Hunter | 34 | 33 | 33½ | .. | 7400 |
| Int. Nick., com | 43 | 42 | 42 | 42 | 2089 |
| Keeley | 1.76 | 1.69 | 1.70 | 1.75 | 41275 |
| Keora | 14 | 12 | 12½ | 14 | 151450 |
| Kirk. Lake | 1.33 | 1.20 | 1.20 | 1.32 | 125715 |
| Lakeside | 9 | 4 | 4 | 9½ | 78700 |
| Lake Shore | 12.00 | 11.00 | 11.00 | 12.00 | 8960 |
| La Rose | 32 | 30 | 30 | 32 | 10305 |
| Lorrain | 10 | 9 | 9 | 10¼ | 140300 |
| Lorrain T.L. | 1.10 | 1.00 | 1.00 | 1.00 | 4700 |
| McKinley | 23½ | 22½ | 22½ | 23¼ | 95500 |
| McIntyre | 28.05 | 26.40 | 26.80 | 27.00 | 26181 |
| Brownlie | 44½ | 43 | 44 | 43 | 52400 |
| Chaput H. | 23 | 16 | 17 | 23 | 122400 |
| Mining Corp. | 4.45 | 4.05 | 4.33 | 4.08 | 87225 |
| Moneta | 16½ | 16½ | 16½ | 17 | 200 |
| Newray | 43 | 42 | 42 | 42 | 19200 |
| Nipissing | 6.50 | 6.25 | 6.30 | 6.50 | 4750 |
| Night Hawk | 10½ | 7 | 7 | 10½ | 97300 |
| Mont. Rouyn | 57 | 50 | 50 | 53 | 48500 |
| Noranda | 16.50 | 15.25 | 16.00 | 16.25 | 39325 |
| Ophir | 3¼ | 3¼ | 3¼ | 3⅞ | 1000 |
| Peter. Lake | 4½ | 4 | 4¼ | 4 | 23900 |
| Porc. Crown | 9½ | 7 | 8 | 9½ | 15900 |
| Premier Gold | 2.60 | 2.30 | 2.45 | 2.40 | 46990 |
| Preston | 8⅞ | 8 | 8 | 8¾ | 79400 |
| Teck Hughes | 3.71 | 3.50 | 3.56 | 3.60 | 143888 |
| Rouyn | 8 | 4⅞ | 5 | 7¾ | 157850 |
| Siscoe | 15 | 13 | 15 | 15 | 3500 |
| Tough Oakes | 60 | 53 | 53 | 54 | 184150 |
| Vickers | 68 | 63 | 65 | 69 | 23200 |
| Vic. Silver | 9 | 6½ | 8 | 7¾ | 13500 |
| Vipond Cons. | 1.89 | 1.80 | 1.81 | 1.88 | 84960 |
| Rouyn, Que. | 4½ | 3¼ | 3¾ | 4 | 58500 |
| Timiskaming | 14 | 14 | 14 | 15¼ | 4000 |
| West Tree | 3¼ | 3 | 3 | 3 | 21000 |
| Wettlaufer | 7 | 6 | 7 | 9 | 2000 |
| Wright Har. | 9.05 | 8.25 | 8.80 | 9.10 | 9370 |
| Bourlamagne | 8.60 | 8.35 | 8.55 | 8.45 | 17135 |
| Wasapika | 4 | 2 | 3 | 1½ | 57700 |

## Output Gold Output

| Source and Period | Ore Milled tons | *Total Value Crude Bullion |
|---|---|---|
| **Porcupine—** | | |
| Calendar year 1925 | 2,965,547 | $24,430,231 |
| Average per month | 247,129 | 2,035,853 |
| January, 1926 | 269,325 | 1,946,563 |
| **Kirkland Lake—** | | |
| Calendar year 1925 | 379,652 | 5,460,951 |
| Average per month | 31,638 | 455,079 |
| January, 1926 | 34,167 | 570,871 |
| **Miscellaneous—** | | |
| Calendar year, 1925 | 131 | 2,114 |
| January, 1926 | nil | nil |
| Total for calendar year 1925 | 3,345,330 | $29,893,296 |
| Average per month | 278,778 | 2,491,108 |
| Total for January, 1926 | 303,492 | 2,517,434 |

*This total includes the silver contained in the crude gold bullion marketed. During 1925 the value of silver approximated $167,000.

During January producing mines in order of output were as follows:

**Porcupine** (6)—Hollinger, Dome, McIntyre, Vipond, Consolidated West Dome Lake, and Night Hawk Peninsular.

**Kirkland Lake** (6)—Teck-Hughes, Wright-Hargreaves, Lake Shore, Tough-Oakes-Burnside, Argonaut, and Barry Hollinger.

## SOME BROKERS URGING CLIENTS TO SELL OUT

### May Have Played a Part in Reaction in Mining Shares

The mining market weakened during the past week. The reason for the weakness is difficult to define, for public interest does not seem to have abated. It is known that some brokers have been urging clients holding stocks on margin to get out, telling them the market was going to break. Doubtless this has been a factor in creating the present condition. Many brokers think there is going to be a rally in the market.

Reactions while not severe have been fairly general. Columbus-Kirkland tumbled faster than it went up. The Post sized up this operation in Feb. 12 issue by stating that it savored more of a market than a mining operation. C. W. Dome is back to 22. Vipond, Castle, Kirkland Lake Gold, Beaver, are all weaker. Rumors of a deal on Everett made that stock strong during the week. Some market followers expect that there is going to be a drive on for silver properties after the golds have had a good run, and are said to be looking around for silver properties. The big stocks have all maintained their position fairly well.

## Horne Units Net Holders Total of $21,150 Each

Noranda has been able to bring about a settlement with the Lake Tremoy syndicate at New Liskeard whereby they will surrender their 200,000 shares in Horne Copper Co., and accept Noranda shares. The holders of syndicate shares each receive $2,400 in cash and 1,250 shares of Noranda, and, with the latter figured at a $15 market value, the net return on each unit is $21,150.

### THOUSAND ACRE DEAL

Perron brothers, Kirkland Lake and Rouyn, have sold their group of 24 claims in Duprat to L. E. Plummer, Toronto, representing Montreal and Toronto capital. It is said $300,000 is the capital of the syndicate, and that units of $10 each will be offered. The Perrons' 24 claims comprise approximately one thousand acres.

## HARD DRILLING IN THE TURNER FIELD

### Deep Levels Show Rocks Are Very Hard — Some Good Signs

CALGARY.—Steady but slow progress through the hardest formations yet encountered by most of the drills marks the progress of wells that are being sunk in the Turner Valley oil field, forty-five miles southwest of Calgary. The event of the week was the announcement by the Royalite Company that the production of naptha from No. 4 Royalite, for the month of January was the highest yet recorded for a period of thirty-one days. During January the well produced approximately 18,000 barrels, as against a production of some 15,500 barrels during December, 1925. Both months were records of production over preceding periods of time.

Drilling their No. 2 well about half a mile due south of No. 4 Royalite, the McLeod Oil Company has reached a depth of 3,300 feet with this hole. They are progressing slowly but steadily.

Half a mile northwest of Royalite No. 4, the Vulcan Oil Co. has struck very hard drilling in their No. 1 well at a depth of 3,895 feet. There is a continual seepage of oil into this hole. Three hundred feet of oil stood in the hole at the end of the week and it was being bailed periodically. It is not known whether oil is coming in from a new level, or from higher up in the well.

The Dalhousie Company crew have discovered that the old Alberta Southern No. 1 hole, on L. S. D. 10, 13-20-3-W5, which has been taken over by the Imperial Oil subsidiary, was originally drilled to a depth of 3,208 feet, instead of 3,160, as the log showed. They are now cementing a cave in this hole, preparatory to carrying on the deepening of the well.

The Big Chief well has been underreamed nearly to the bottom and report the 12½ in. casing down to 1,800 ft. This hole is on L. S. D., 4, 5-20-2W5.

The Advance Oil Co. is now waiting for casing in order to continue drilling on the old Acme well, which it is the intention to deepen from the present 3,160 foot level.

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# News of the Mines

## Mining Corporation Looks to Have Promising Future

### Lorrain and Cobalt Properties Produce Steadily, While Flin Flon and Cryderman Interests Have Possibilities of Big Things

Mining Corporation of Canada is assuming a dominating mining position in the Dominion of Canada.

Last week The Financial Post referred to the fact that large operating companies and well vouched for exploration syndicates, promise to assume in a great measure, the burden of the first risk in handling many of the future prospects.

One of the companies in mind at the time was Mining Corporation. Dome, McIntyre, Hollinger, Nipissing, Coniagas and others, face somewhat similar possibilities.

Boiled down, it means that to-day a small speculator may participate in new mining developments by purchasing the shares in these large concerns and at the same time get a return on his speculation and this without assuming the risk that would attend were the funds placed with a new and small operation, taking up, financing and exploring a prospect.

Operators like Mining Corporation have not only the backing of a substantial treasury, but what is equally important, a highly skilled and experienced technical staff. In the past many will say these large operators have been a detriment rather than a help in handling new prospects. This is undoubtedlly true, but it is also true that things have changed.

**Many Good Properties**

Mining Corporation looms large on the mining horizon of Ontario and Manitoba. Its old Cobalt properties have come back with a vim that has surprised all. Its South Lorrain operations have been most spectacular and promise well for the future. In Manitoba it has its interest in the Flin Flon and in Central Manitoba, the Cryderman property.

The Cobalt and Lorrain operations are on a sound and substantial basis. The 1925 silver production from these properties totalled over 2,000,000 ounces. The company will do at least as well this year. A perusal of production figures published on this page, will emphasize the striking comeback of the company as a silver producer. The 1925 record should come pretty close to that of 1923 which was the best year the company had since 1917. Mr. Watson says the 1925 figures were "a little over 2,000,000 ounces" and says that this year there will be an effort to keep a little more even production each quarter and it is expected that production will at least equal that of 1925.

From the standpoint of 1925 and 1926 earnings, having in mind the above remarks of the president, the 1923 figures will be of considerable interest. They will be found in a tabulated profit and loss statement which shows that the company had a profitable year.

**Future Outlook**

Shareholders are concerned with the future. It looks excellent. The South Lorrain property has now been well opened up and should be a steady producer. The Cobalt properties which were considered almost through are now thought to have a few years more of profitable life. The company can also figure on a fair income from 500,000 shares of Lorrain Trout Lake.

The above takes care of the immediate future. The distant future also looms attractive. The Flin Flon deal means much to Mining Corporation. The terms have not been announced, other than to say that Mining Corporation will retain 15 per cent. interest in any company which the New York interests, decide to form. It is difficult to tell from the reports just how much Mining Corporation sank into Flin Flon in purchase price and exploration. The last report shows that in Flin Flon and optioned properties there is $1,516,000. However, while the details of the Flin Flon deal are not public, it is generally understood that the bulk of a cash payment when the option is exercised, of $4,500,000 will go to Mining Corporation. In the 15 per cent. which will be held, the corporation will have great possibilities. When it was estimated that there was 16,000,000 tons of assured ore and 9,000,000 probable ore, only the copper, silver, gold content were considered. Now it is revealed that the zinc content is also valuable, adding better than $4.00 a ton to the probable products of the mine. In the profits from the giant enterprise which must develop, the corporation will stand to take down 15 per cent.

**Central Manitoba**

The Flin Flon deal, however, is a long way from profits, so that meanwhile, it would seem that the Cryderman property, mentioned briefly and for the first time in the last quarterly report of the corporation, is the property to watch. The details given in the report will stand repetition.

"During the last prospecting season our field force staked thirty-one claims near the Ontario boundary, about fifty miles west of the Red Lake district, and a few miles distant from the W. A. D. Syndicate operations. These are now known as the Cryderman claims. Our engineers consider the geology of the territory to be favorable for the production of gold, and they report that the main vein has been traced for 1,500 ft., with an average width of about 12 ft. We are now engaged in sinking a prospect shaft on this vein which, according to the last word from the camp, had reached a depth of 41 ft. Channel samples were taken across this shaft every five feet down, and the average assay of these samples is most encouraging. Operations will be continued."

All the cost to the corporation in acquiring these claims was that of prospecting and staking. There will be no purchase price. It is perhaps this fact which led the corporation to depart from the statement made by Scott Turner, consulting engineer, in the last annual report, to the effect that it was not expected that the corporation would re-enter the field of active search for new outside properties as the board felt that Cobalt and South Lorrain offered the best chances for successful work.

**Near Ideal Prospect**

There is reason to think well of these claims. The report mentions the W.A.D. property that is near-by. Arthur D. Miles, Canadian representative for John Taylor and Sons, paid a large sum for a substantial interest in the W.A.D. now known as Central Manitoba Mining Co. The gamble which Mr. Miles took in the prospect was on the question of whether or not values carried to depth. There was length, 1,000 feet or so, until the mineralized body disappeared into a swamp; width, 12 to 15 feet and values, good, consistent and commercial or surface. Near-by is another property, Eldorado, on which a company has been formed and on which work will be launched early in the spring. Considerable surface work was done on these claims and they show, according to a report by a reliable engineer, a great length, substantial width and values on surface.

It may be that the opening up of the Cryderman surface showings has not proceeded sufficiently to allow for the announcement of surface values, if these are ever announced. But the statement in the recent report shows that the mineralized ore zone on property possesses two main essentials, length 1,500-ft., and width 12-ft. The report says that the average sampling of the shaft was most encouraging. The information reaching The Financial Post is that the values were high and most consistent. It is understood that the corporation has appropriated $250,000 for the testing out of the property.

An interesting point made in the recent report is to the effect that the Cryderman property is 50 miles west of Red Lake. The map would indicate that the Red Lake find is perhaps an extension of the same zone as has been uncovered on these Manitoba properties.

### Capitalization

| | |
|---|---|
| Capital | $8,300,250 |
| Par value | $5.00 |
| Total shares | 1,660,050 |
| Assets | $8,399,985 |
| Liabilities | $ 99,735 |
| Liquid assets | $ 849,891 |
| Present share price | $4.35 |
| Market value | $7,221,217 |
| Dividends paid | $5,914,880 |

### SEVEN YEARS' EARNINGS

| Year | Earnings | Dividends | Surplus |
|---|---|---|---|
| 1917 | $2,930,821 | $1,556,296 | $3,448,377 |
| 1918 | 1,263,504 | 1,348,791 | 3,025,347 |
| 1919 | 1,100,335 | 622,519 | 3,311,577 |
| 1920 | 793,471 | 622,519 | 3,268,262 |
| 1921 | 139,304 | ..... | 2,746,193 |
| 1922 | 137,148 | ..... | 2,788,159 |
| 1923 | 154,652 | ..... | 2,978,864 |
| 1924 | 273,946 | ..... | 3,046,292 |

### Story of Mining Corp. in Silver Production

| | Cobalt Lake ozs. prod. | Townsite ozs. prod. | City of Cobalt ozs. prod. | Buffalo ozs. prod. |
|---|---|---|---|---|
| 1905 | ........ | ........ | ........ | 82,068 |
| 1906 | ........ | ........ | ........ | 210,598 |
| 1907 | ........ | 60,963 | 65,950 | 466,969 |
| 1908 | 74,934 | 108,827 | 503,772 | 903,126 |
| 1909 | 46,782 | ........ | 432,959 | 1,272,649 |
| 1910 | 239,728 | 195,597 | 305,216 | 1,629,327 |
| 1911 | 626,044 | 834,949 | 214,876 | 1,644,245 |
| 1912 | 1,123,146 | 1,505,396 | 207,951 | 1,890,150 |
| 1913 | 980,858 | 2,314,602 | 100,158 | 1,752,199 |
| | | Mining Corporation | | Buffalo |
| 1914 | 1,247,677 | 2,776,589 | | 912,350 |
| 1915 | 1,566,206 | 3,115,638 | | 957,831 |
| 1916 | 994,608 | ........ | | 267,468 |
| 1917 | ........ | 4,546,065 | | 645,915 |
| 1918 | ........ | 1,994,061 | | 870,247 |
| 1919 | ........ | 1,088,064 | | 577,811 |
| 1920 | ........ | 1,815,594 | | |
| 1921 | ........ | 911,899 | | |
| 1922 | ........ | 1,184,652 | | |
| 1923 | ........ | 2,190,550 | | |
| 1924 | ........ | 1,273,158 | | |
| 1925 | ........ | 2,000,000 | | |
| Total ozs. produced | | 40,340,098 | | |

### Five Years' Production Figures

| | 1920 | 1921 | 1922 | 1923 | 1924 |
|---|---|---|---|---|---|
| Ore treated (tons) | 51,918 | 29,207 | 91,622 | 65,780 | 52,528 |
| Silver rec., ozs. | 1,456,643 | 495,511 | 1,303,674 | 725,437 | 793,197 |
| Tailings treated (tons) | 71,476 | ...... | 54,362 | ...... | ...... |
| Silver rec., ozs. | 204,374 | ...... | 158,594 | ...... | ...... |
| Total tons | 123,394 | 29,207 | 145,983 | 67,780 | 52,528 |
| Silver rec. oz. | 1,664,018 | 495,511 | 1,462,269 | 725,437 | 793,197 |

1925 production, 2,000,000 ounces.

### Five Years' Profit and Loss Record

| | 1920 | 1921 | 1922 | 1923 | 1924 |
|---|---|---|---|---|---|
| Mining profit | $ 715,645 | $ 77,643 | $ 101,958 | $ 35,411 | $ 247,468 |
| Other income | 77,825 | 61,660 | 35,191 | 119,210 | 26,478 |
| Total | $ 793,470 | $ 139,303 | $ 137,149 | $ 154,621 | $ 273,946 |
| Less— | | | | | |
| Administration cost | 22,533 | 23,239 | 21,787 | 25,357 | 69,024 |
| Directors' fees | 11,700 | 14,972 | 14,395 | 14,400 | ..... |
| Taxes | 117,683 | 74,071 | 15,620 | 8,169 | 58,613 |
| Loss, C. Ind. Min. | ..... | 232,939 | ..... | ..... | ..... |
| Legal and audits | 2,900 | 4,470 | 3,720 | 1,055 | ..... |
| London office exp. | 31,142 | 26,083 | 19,677 | 21,300 | ..... |
| War bond loss | ..... | 43,415 | ..... | ..... | ..... |
| Property option losses | 9,302 | 231,023 | 3,398 | 13,896 | 67,689 |
| Traveling | 3,710 | 1,170 | 1,801 | 2,745 | ..... |
| Prospect examination | 12,628 | 7,750 | 14,784 | 19,891 | 9,863 |
| Donations | 2,302 | 2,804 | ..... | 1,151 | 1,328 |
| Total | $ 213,901 | $ 661,738 | $ 95,184 | $ 107,966 | $ 206,518 |
| Add to surplus | $ 579,570 | *$ 522,434 | $ 41,965 | $ 46,686 | $ 67,428 |
| Bal. ford. | 3,311,577 | 3,268,628 | 2,746,194 | 2,788,159 | *2,834,845 |
| Avail. for div. | $3,891,147 | $2,746,194 | $2,788,159 | $2,834,845 | $3,046,292 |
| Dividends | 622,519 | ..... | ..... | ..... | ..... |
| Surplus | $3,268,628 | $2,746,194 | $2,788,159 | $2,834,845 | $3,046,292 |

*1924 report of company shows balance forward of $2,978,864.

### How Mining Corporation Came Into Being

How did Mining Corporation come into being?

A great many of the present shareholders are not aware of these details.

The orginal notice sent out outlining the scheme to amalgamate the several Cobalt properties, was dated March 31, 1914, and cleaarly sets forth the interesting details which provided Northern Ontario with a large silver operation.

It reads:

**PARTICULARS OF SCHEME**

For consolidating the interests in the Cobalt Townsite Mining Co., Ltd.; Townsite Extension Mines Ltd.; Cobalt Lake Mining Co., Ltd. and City of Cobalt Mining Co., Ltd.

Cobalt Townsite Mining Co., Ltd., has an issued capital of $45,011 divided into 45,011 shares of $1 each, fully paid.

The principal assets of Cobalt Townsite Mining Co., Ltd., comprise:

(1) A mining property in the District of Nipissing of an approximate area of 37½ acres held under a lease from the Temiskaming and Northern Ontario Railway Commission, with machinery, plant, and equipment.

(2) Certain interests in the Porcupine Gold mining district.

(3) 1,250 fully paid shares of $100 each in Cobalt Reduction Co., Ltd., a company with an issued capital of $250,000 divided into 2,500 shares of $100 each, which owns the mill purchased from the Northern Customs Concentrators Ltd.

(4) Certain cash and ore on hand and in transit.

Townsite Extension Mines Ltd. has an issued capital of $100,000 divided into 100,000 shares of $1 each, fully paid.

This company held, under mining lease from the Temiskaming and Northern Ontario Railway Commission, a certain mining property in the District of Nipissing of an approximate area of 19 acres, and it has transferred this lease to the company, herein referred to as the "Canadian Amalgamated Company," in consideration of 75,000 shares of $1 each, fully paid.

Cobalt Lake Mining Co., Ltd., has a capital of $3,000,000 divided into 3,000,000 shares of $1 each, fully paid.

The principal assets of Cobalt Lake Mining Co., Ltd., comprise:

(1) A mining property in the District of Nipissing known as Cobalt Lake, held in fee simple and being approximately 47 acres in extent, with machinery, plant and equipment.

(2) A mining property situate in the District of Nipissing known as Little Nipissing, having an approximate area of 40 acres.

(3) Certain cash and ore on hand and in transit and at the mill.

The City of Cobalt Mining Co., Ltd., has a capital of $2,100,000 divided into 2,100,000 shares of $1 each, of which 2,011,378 shares are issued and are fully paid.

The principal assets of the City of Cobalt Mining Co. Ltd. comprise:

(1) A mining property in the District of Nipissing of an approximate area of 40 acres, held under a mining lease from the Timiskaming and Northern Ontario Railway Commission.

(2) 1,250 fully paid shares of $100 each in the Cobalt Reduction Co., Ltd., above referred to.

(3) Certain cash and ore on hand and in transit.

(4) Certain real estate in the town of Cobalt.

The proposed scheme is as follows:

A company has been incorporated under the laws of the Dominion of Canada, under the name of the Mining Corporation of Canada Ltd., (herein referred to as "The Canadian Amalgamated Company") having its head office at the City of Toronto and having an authorized capital of $2,075,000 divided into 2,075,000 shares of $1 each, and it has been duly licensed to carry on business within the Province of Ontario.

The Canadian Amalgamated Company has acquired from Townsite Extension Mines Ltd., the mining property held by it under a lease from the Temiskaming and Northern Ontario Railway Commission hereinbefore referred to, and has issued in payment therefor 75,000 shares of its capital stock fully paid, and has assumed the liabilities of Townsite Extension Mines Ltd., under the said lease.

It is proposed that the Canadian Amalgamated Company should purchase the assets of Cobalt Townsite Mining Ltd., Cobalt Lake Mining Co., Ltd., and City of Cobalt Mining Co., Ltd., for the sum of $2,000,000, and the assumption of all liabilities of the said three companies.

The sum of $2,000,000 will be received in fully paid shares of the Canadian Amalgamated Company and distributed in the following proportions:

(a) Cobalt Townsite Mining Co., Ltd., as consideration for the sale of its mining property and other assets, will receive 750,000 shares.

(b) Cobalt Lake Mining Co., Ltd., as consideration for the sale of its mining property and other assets, will receive 750,000 shares.

(c) City of Cobalt Mining Co., Ltd., as consideration for the sale of its mining property and other assets, will receive 500,000 shares, a total of 2,000,000 shares.

It is proposed that the dates of the sales will be fixed so as to allow of payment by Cobalt Townsite Mining Co., Ltd., and Cobalt Lake Mining Co., Ltd., of dividends to their shareholders pending the proposed amalgamation.

DATED at Toronto this 31st day of March, 1914.

## SEARCHED WORLD OVER IN EFFORT TO GET NEW MINE

### Mining Corp. Directors Found One at Own Back Door—Were Criticized

Directors of Mining Corporation have diverted considerable of the shareholders' money from dividends to finance the search for new properties.

There has been some criticism of this action and little praise. Finally the critics got so persistent that they began to get results and the search for new holdings was retarded.

It may be that some money was wasted. Perhaps the criticism of the shareholders brought losses. The writer knows of one property that was dropped just about the time the critics were hitting their hardest, which to an outsider seemed to look good.

Taking the whole situation, by and large, however, indications are not lacking that the interests of the shareholders were pretty well in the forefront at all times and already they are reaping some of the rewards — the two recent dividends.

Had the company confined its attention to Cobalt, instead of looking the world over for a new mine, it is quite possible that by now the corporation would have been ready to make its exit. Russia, Mexico, U.S., and practically every province in Canada was carefully looked into in the search for new properties. It was rather the irony of fate that they should get what they were looking for right at their own back door in South Lorrain. Nevertheless the Flin Flon, which must have given the directors a number of heart aches, may more than repay the losses plus substantial interest.

### Propertie**s**

Cobalt—
- Townsite
- City of Cobalt
- Cobalt Lake
- Townsite Extension
- Little Nipissing
- Buffalo

S. Lorrain—
- Frontier
- Crompton
- Little Keeley
- Owns 500,000 shares and operates Lorrain
- Trout Lake

Manitoba—
- Flin Flon, owns 68 per cent.
- Cryderman
- Manitoba Metals Co.

Russia—
- Chebaku Gold Mine

Cobalt Reduction Co., operating reduction plant, and owned by Mining Corporation.

## HOLLINGER'S DEAL ON NORANDA OUT

As predicted in these columns, the official announcement of Noranda financing showed a much more favorable deal for Hollinger than that forecast by the unofficial reports. Hollinger provides up to $3,000,000 as and when wanted, and will receive 10-year, 7 per cent. redeemable gold bonds, secured by a deed of trust and mortgage on the Horne property and plant, and in addition 30,000 fully paid shares of Noranda. At the present price of $15 these shares are worth $450,000. This would indicate that if Hollinger has advanced the whole sum at once, the net return for the ten years would be around 22 per cent. Any further financing needed to erect the smelter and mining plant for Noranda will be done through a share offering to the Noranda shareholders.

## "Give Me the Grub Hoe," Says This Prospector

"As for me, give me the grub hoe." This was Ray Howie's comment at the recent meeting of Toronto branch of the Mining Institute when asked to voice his opinion on the possibilities of electrical prospecting.

He had just listened to an address on that subject by Hans Lundberg, of the Swedish-American Prospecting Corp.

**WRIGHT-HARGREAVES**

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Here Laval's preliminary work has disclosed massive sulphide bodies of copper-gold and other precious metal content.

A crew of men is already preparing for the erection of permanent camps with a view to making surveys for a diamond drilling campaign.

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# HILLCREST DEFICIT AT $19,797 IN 1925

## Operations Curtailed During First Five Months Through Labor Trouble

**From Our Own Correspondent.**

MONTREAL.—A decided betterment in the earnings of the Hillcrest Collieries was seen in the annual statement for the year ending December 31, 1925, which revealed a deficit of $19,797, after payment of common dividends, as compared with a deficit of $68,658 in 1924.

The net profits of the company, which were practically nothing in 1924, amounted to $61,106 for the year just closed. This added to miscellaneous revenue provided sufficient to meet bond interest and preferred dividends and left $40,203 with which to meet the common dividends of $60,000.

In 1924, due to the miners' strike, the company operated for only five months during the year; operations were also interrupted during the first five months of 1925, due to the strife between the operators in Alberta and the United Mine Workers of America over the question of wages.

Changes during the year in the balance sheet were of a minor character. They resulted in a slight betterment in the working capital position. Figures of the latter and of the rofit and loss account over the past three years follows:

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Net profits | $ 61,106 | $ 4,797 | $117,958 |
| Misc. rev. | 44,746 | 52,194 | 37,704 |
| Total net | $105,852 | $ 56,991 | $155,662 |
| Bond interest | 16,250 | 16,250 | 16,250 |
| Balance | $ 89,602 | $ 40,741 | $139,412 |
| Pfd. divs. | 49,399 | 49,399 | 49,399 |
| Balance | $ 40,203 | $x 8,658 | $ 90,013 |
| Com. divs. | 60,000 | 60,000 | 60,000 |
| Balance | x$19,797 | $ 68,658 | $ 30,013 |
| Contingent | ...... | ...... | 15,000 |
| Surplus | x$19,797 | x$68,658 | $ 15,013 |
| Prev. bal. | 215,531 | 284,188 | 269,174 |
| P. & L. bal. | $196,734 | $215,530 | $284,187 |

x—Deficit.

**Working Capital**

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Curr. assets | $649,793 | $677,758 | $710,331 |
| Curr. liabs. | 124,297 | 149,632 | 129,454 |
| Work. cap. | $535,496 | $528,126 | $580,877 |

## Loan & Trust Companies Show Increased Deposits

Deposits of the loan companies operating under the Ontario Department of Insurance increased their deposits by nearly $4,000,000 during the quarter ending December as compared with previous quarter. At the same time deposits of the trust companies increased by nearly $800,000. Following are comparative figures:

**Loan Companies**

| | Quarter December | Previous Quarter |
|---|---|---|
| Total deposits | $44,247,217 | $40,761,423 |
| Cash | 6,102,503 | 2,949,944 |
| Govt. bonds | 14,714,783 | 13,360,892 |
| Municipal debs. | 5,159,063 | 5,029,287 |
| Demand loans | 1,189,824 | 884,358 |
| Cash and securities | 27,166,175 | 22,224,484 |
| Per Cent. of cash, etc., 5 deposits | 61.40 | 54.52 |

**Trust Companies**

| | Quarter December | Previous Quarter |
|---|---|---|
| Trust deposits | $13,189,955 | $12,405,506 |
| Spec. guar. inv. | 19,103,329 | 18,276,225 |
| Gen. guar. inv. | 26,431,947 | 24,773,966 |
| Total funds | 58,725,232 | 55,455,699 |
| Accrued int. | 304,235 | 517,337 |
| Cash | 2,103,397 | 1,539,484 |
| Can. bonds and sec.s | 3,762,965 | 3,743,460 |
| Municipal debs. | 4,861,891 | 5,042,390 |
| Sch. and tel. debs. | 474,408 | 466,215 |
| Mortgages | 35,022,380 | 34,668,249 |
| Demand loans | 2,433,102 | 7,501,690 |
| Trustee invest. | 48,658,145 | 52,961,489 |
| Interest due | 1,140,713 | 1,045,700 |
| Sec. not author. as trustee inv. | 9,228,909 | 1,998,337 |
| Total invest. | 59,027,768 | 56,005,527 |

## Wainwright Oil as Good as That of Montana

EDMONTON.—"The Wainwright fluid is just as good a fuel oil as the stuff from Montana. The gravity is not as high in the local oil, but it will give just as good service." This is what J. L. Mercer, founder of the Alberta refineries, says after tests made at the new plant on the south side.

"We got twenty seven per cent. of 42 gravity distillate out of the two tanks of Wainwright oil, put through the refinery, the balance being fuel oil of splendid quality," Mr. Mercer told the Bulletin.

**Test Not Perfect**

He added that the test was not a perfect one as the oil put through had been a considerable time away from the well, and that therefore a large amount of the gasoline and similar light oils had partially evaporated. He says that the Wainwright crude oil worked perfectly in fuel burners, boilers and stills.

# AUTO COMPANIES DO OWN FINANCING

## But Commercial Finance is Able to Show Considerable Increase in Business

Increased profits as the result of expanded operations are reported for 1925 by the Commercial Finance Corporation, Limited. Profits are shown at $118,969, compared with $87,549 for 1924, but the fact that interest paid increased from $23,176 to $43,683 indicates that there was a considerable increase in the amount of capital employed. Following are comparative figures:

**Profit and Loss**

| | 1925 | 1924 |
|---|---|---|
| Profits | $118,969 | $ 87,549 |
| Interest | 43,683 | 23,176 |
| Written off | ...... | 6,320 |
| Income tax | 3,396 | 6,412 |
| Bad debts | 38,398 | 1,310 |
| | $ 85,477 | $ 37,218 |
| Net income | $ 33,492 | $ 50,330 |

After payment of the regular dividend of seven per cent. per annum on the preferred stock, and including the balance brought forward from previous years, the amount to the credit of surplus account stands at $78,881.

During 1925 the commercial paper available to local finance companies was limited by the tendency of automobile manufacturers toward the organization of subsidiary or controlled companies, with branches throughout the country. This trend resulted in an increased cost of procuring business, and lower rates. The year's earnings, therefore, were somewhat affected by a restricted volume, and by the primary expenses and incidental losses, in connection with the establishing of the Buffalo office and the general instalment department.

## Canadian Pacific Shares Reflect Trade Betterment

The general buoyancy of the securities market is undoubtedly a factor in the recent rise of Canadian Pacific shares to 160⅛ on the Montreal market, but the effect of the general business and industrial improvement which is taking place cannot be overlooked. There has been a noticeable increase in the amount of railway traffic, and the outlook appears to be favorable for the Canadian railways to obtain better operating results. Satisfactory crop conditions and the greatly improved business resulting therefrom has bettered the position of the railways.

From this standpoint the stock of the Canadian Pacific, which is one of the best known Canadian stocks, internationally, is often accepted as an index of Canadian business. Past movements of the stock have shown that when the country prospers it is usually reflected in the movements of C.P.R. Undoubtedly the present high position of this stock is an indication, to some extent, of reviving business.

### JAPAN WANTS B. C. HEMLOCK

VICTORIA.—British Columbia hemlock is enjoying an increasing demand in Japan. Last year's exports to that country show an increase exceeding 100 per cent., as compared with the figures for 1924. This hemlock has different characteristics from that found in the eastern provinces, and is employed very extensively for building purposes.

# *Insurance Company Reports*

## Commercial Life Had Most Successful Year

WINNIPEG.—The most successful year of its entire experience is reported by the Commercial Life Insurance Company of Canada for 1925. The assets, premium income, interest earned, and all other substantial features show greater increases than ever before. Assets have increased to over $500,000. Premium income for the year was $192,944. Interest earned was $24,710, or over $2,000 per month for the year, an increase of 34.76 per cent. over 1924.

The mortality experience of the company continues to be favorable, being only 27.20 per cent. of what was expected and provided for.

The old board of directors was reelected as follows: W. T. Henry, W. W. Stark, H. W. B. Douglas, W. Fletcher Bredin, G. H. Hutton, Calgary; F. O. Hodgson, Vancouver. President, R. H. Cautley, Edmonton; vice-presidents, E. W. Allin, M.D., C.M., Edmonton, and Sheriff L. G. Calder, Saskatoon; managing director, J. W Glenwright, Edmonton.

## Hardware Underwriters Had Satisfactory Year

WINNIPEG.—In the annual statement just released by the Canadian manager, F. B. Dalgleish, from the head office for Canada, the Canadian Hardware and Implement Underwriters report another highly satisfactory year for 1925. Both their Canadian and United States businesses were increased greatly during the twelve months, the total amount written being considerably over $7,000,000. Surplus was increased by over $400,000 to a total of $2,418,000. This increase is just double last year's increase. Assets were increased by over a million, bringing the total to over $7,300,000.

The results of the Canadian business during 1925 were as follows: Premiums written, $655,895 for an increase of $111,000; losses incurred, $245,962; expenses, $92,020; dividends paid to Canadian policyholders, $251,744. The latter, of course, were paid on 1924 premiums, which amounted to $544,426.

Mr. Dalgleish points out that surpluses have been accumulating in addition to paying good dividends. These hardware companies have been paying 50 per cent. dividends for eighteen years, this making the nineteenth consecutive year. He also draws attention to the fact that losses paid to policyholders since the organization of these companies total $13,173,702,

## Commonwealth Life is Making Good Progress

Reorganized one year ago, the Commonwealth Life and Accident Insurance Company of Hamilton has made gratifying progress, according to reports submitted at the annual meeting by W. H. Wardrope, K.C., president, New business issued during the fiscal year amounted to $2,180,255, while the premium income was increased from $82,000 to $140,000, a gain of 40 per cent. Assets showed a gain of 28 per cent. over 1924, and these consist of government and municipal debentures, having an actual value of $3,000 in excess of what was shown on the company's balance sheet. The amount set aside for policy reserves now amounts to $136,041, as compared with $81,547 a year ago, or an increase of 67 per cent.

## Montreal Life Made Good Strides in 1925

**From Our Own Correspondent.**

MONTREAL.—The annual report of the Montreal Life Insurance Company shows a decided betterment both in earnings and in the balance sheet. The gross receipts for the year amounted to $859,632, as compared with $762,405 last year. The excess of receipts over disbursements amounted to $358,855, being an increase of some $91,600 over the 1924 figures. The net income from premiums was increased by $75,288, and stood at $728,640 for the year.

The total assets are larger by almost $400,000 and stand at $2,944,053. All the items appearing among the assets show an increase over the preceding year. In the liabilities, the net policy reserves have been increased by over $400,000, and the surplus has been increased by some $5,000. There is one point worthy of comment in connection with the company; all its assets are invested in Canada.

The first year premiums received stood but fractionally higher than in 1924, but the renewal premiums were decidedly larger, thus accounting for the larger premium income.

# ONTARIO SUPREME COURT WOULD HOLD ACT ULTRA VIRES

(Continued from page 1)

134, and 134A of the Insurance Act, 1917 (Dominion).

To bring out the significance of the judgment it may be explained that section 11 of the federal insurance Act of 1917, requires all Canadian companies to take out Dominion licenses. Section 12, (1) requires all British companies to do likewise. Sections 71 and 71a provide penalties.

Sections 168 and 180 of the Ontario Insurance Act, 1924, fix the statutory conditions in connection with automobile, accident and sickness insurance.

**The Masten Judgment**

The following is taken from the very exhaustive judgment written by Mr. Justice Masten:

The fact that automobile insurance in all its branches and the business of accident and sickness insurance were carried on fairly to the public and with success to the companies for many years before statutory conditions were prescribed by any authority, federal or provincial, seems to establish conclusively that statutory conditions are not "necessarily essential" to the conduct of such insurance business. The conditions seem in the main to be devised rather for the purpose of affording adequate protection to the insured than to facilitate the fulfilment by the company of its functions and are in no sense essential to the exercise by the insurance company of its powers. The same reasoning applies, I think, to the licensing of British insurance companies and natural persons, and need not be separately discussed.

With respect to questions two and three, there is, however, suggested a further question which may be stated as follows: The Dominion parliament has power to prohibit the entry into Canada for insurance purposes of British companies and persons and alien companies and persons unless and until they secure from the Dominion a license so to do. It follows that it may condition its grant of a license on any terms whatsoever which it may see fit to impose and to revoke the license on breach of a condition on which it was granted. The applicant is under no compulsion to accept the license on the terms prescribed. He may refuse and stay out of Canada, but if he accepts the license on the conditions and terms prescribed by the Dominion, he is bound by such acceptance, and the incorporation of the Dominion statutory conditions in the policies he issues arises from such acceptance and are not imposed by the Dominion statute. Hence it is argued that the legislation in question does not trench on civil rights in Ontario, but is directed solely to legislation respecting British and alien persons (including companies) and the conditions of their entry into Canada, and that consequently the discretion of the Dominion regarding the conditions it chooses to impose on applicants for licenses cannot be in any way questioned or controlled.

I agree, subject to one exception, viz., that where the condition sought to be imposed by the Dominion has the effect of trenching on any of the enumerated powers which are exclusively entrusted to the provincial legislature by section 92, the right to impose and enforce such a legislative condition must as to its constitutional validity be considered and tested by the same principles as those which are applicable to direct legislation, for it is well established that the Dominion parliament cannot do indirectly what it cannot do directly.

Considering the history of the constitutional controversy between the Dominion and provincial authorities respecting insurance legislation, I am driven to the conclusion that the legislation in question is an attempt by this indirect method to regulate the business of insurance in the provinces of Canada so far as it is conducted by the classes of companies and persons above named, and that its form is adopted under the guise of legislation respecting trade and commerce and respecting aliens in order to cloak a regulation of the business of insurance.

"A statute must be judged by its natural and reasonable effect." This statement was made by the Supreme Court of the United States in adjudicating upon the constitutionality of an Act of Congress, and is reported in Hammer v. Dagenhat (1918) 247 U. S. 251. It is quoted with approval in the judgment of the judicial committee in the case respecting reciprocal insurers, 1924, A. C., at page 339.

Now the natural and reasonable effect of the legislation in question is to deprive the citizens of Ontario of the civil rights which they previously enjoyed.

Apart from such legislation as is here in question, any insurance company, foreign or domestic, and any natural person (not an enemy) might under the rules of comity enter Canada and carry on the business of insurance. Apart from this legislation, the citizens of Ontario could contract with British and with alien insurance companies without let or hindrance, and their contracts would be valid and enforceable in accordance with the statutory conditions prescribed by Ontario law, but if and so far as the legislation in question has validity, the citizens of Ontario cannot any longer contract policies of insurance with British or alien companies on the conditions and terms prescribed by the laws of Ontario, but only on the terms prescribed by this legislation. Thus the natural and reasonable effect of the legislation in question is to interfere with civil rights of the citizens of Ontario.

I, therefore, conclude that the legislation in question is not only in substance but also in form directed to the regulation of the conduct in Ontario of the business of insurance, and that in its object and scope it fails to come within any power or combination of powers confided to the Dominion parliament by Section 91.

For these reasons I am of the opinion that the legislation in question is not properly framed so as to come within the competence of the Dominion parliament.

I would answer the first question "Yes" and the second and third questions "No."

## Pig Iron and Steel Output Show Increase

Production of coke pig iron in Canada during January amounted to 56,644 long tons, an increase of 3 per cent. over the 54,889 tons of December and more than double the 28,302 tons reported for January a year ago, according to a report by the Dominion Bureau of Statistics.

Basic pig iron accounted for 44,749 tons or 79 per cent. of the total, foundry iron 10,538 tons, and malleable iron 1,357 tons as compared with the December output of 38,320 tons of basic iron, 1,972 tons of foundry iron and 14,597 tons of malleable iron. In January, 75 per cent. of the total output was made for the further use of the producers. Nova Scotia produced 43 per cent. of the total output and 55 per cent. of the basic iron.

The Northern Electric Company plans a building on St. Patricks St., Montreal, 170 by 64 ft. at a cost of $372,000.

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